

LA Fashion District Business Improvement District  
2006 Activity Reports  
First Quarter

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## **2006 Operating Budget Summary**

The first quarter improvement and activity financial results are outlined in **Attachment 1**. The total improvement plan budget for 2006 is projected at \$3.6 million.

## **2005 Annual Audit & Financial Statement Review**

Stanislawski & Harrison Auditors conducted the annual audit and reported that financial statements presented fairly in all material respects. The financial position of the Downtown Los Angeles Property Owners Association as of December 31, 2005 and 2004, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles in the United States. A summary financial statement will be communicated to property owners in the 2005 Annual Report and at the Annual Property Owner meeting on April 20, 2006.

The Board of Directors unanimously approved the 2005 Audit and Financial Statements at their meeting on February 23, 2006. A copy of the audit was forwarded to the Office of the City Clerk.

## **Allocation of Undesignated Surplus**

On March 23, 2006, the Board of Directors approved a recommendation by the Finance Committee to allocate 50% of the 2005 undesignated surplus for assessment reduction in 2007; and 50% for assessment reduction in 2008.

## **Funds Investment Policy**

On February 23, 2006, the Board of Directors unanimously agreed that as long as interest rates are better more funds will be invested in the Merrill Lynch Institutional Fund but only up to the insured amount for this type of investment. Other funds will continue to be invested in FDIC-insured CDs.

## **LAUSD BID Assessments**

The Superintendent rejected the BID's settlement proposal offering generous and fair payment terms for LAUSD's assessment arrears. LAUSD has never paid their BID assessment. The Superintendent believes that LAUSD is exempt from BID assessments despite Section 4a of Article XIII D of the California Constitution which states otherwise. On January 5, 2006, the City sent a demand for payment letter to LAUSD representatives.

LAUSD has informed the City Clerk that it will not be paying assessments in the future. Some BIDs have been getting payment however that will end immediately. The Special Assessments Department is forwarding a letter to Scot Graham, Director of the LAUSD Real Estate Department, requesting a formal statement on the reason for their opposition.

## **Proposed 2006 Second Quarter Finance Activities**

- Prepare and submit 2006-2007 Assessment Data to the Office of the City Clerk.

## **PUBLIC SPACE MANAGEMENT ACTIVITIES**

2006 Annual Budget

\$2,487,867

69% of the budget

## **PUBLIC SPACE SAFETY PROGRAMS**

### **First Quarter Contact Summary**

The overall number of times the BID Safe Team assisted members of the public rose 125% in the first quarter of 2006 compared with similar categories recorded in 2005.

Please note that starting April 2005, the format for reporting Safe Team contact data was revised. This change represents the first time since the inception of the BID in 1996, that any revisions have been implemented to the way data is presented. The format revision was initiated based on several indicators: (1) changes in the types of nuisance behavior in the district; (2) to present a clearer picture of the types of crime in the district, and to (3) more closely replicate the reporting format of the LAPD.

Statistical records for the first quarter show that disorderly conduct/disturbance, and illegal vending continue to be the major nuisance categories in the LA Fashion District. As new problem patterns surface over the course of the year and Safe Team deployments adjusted to address problem areas.

Location Checks for Crime Prevention, a new overnight service, was added to the BID Safe Team Program. In the first quarter 7880 location checks were carried out in the 90 block district to ensure that businesses remembered to lock their gates and doors.

BID Safe Team members also assisted 722 citizens in the first quarter. This number represents the number of times directions were given to visitors, lost person searches were conducted, and homeless persons were assisted.

### **2005 Crime Rates**

Chief Bratton reported that crime rates fell 10% in Los Angeles last year. He also set a target of an 8% decrease in crime for 2006. Crime rates are now at their lowest levels since 1956. Bratton predicts 250 more police officers will be hired by the end of 2006. Captain Smith noted that crime rates in downtown decreased by 16% in 2005. Property crime was down 13% compared to a 9.6% decrease citywide. He also reported a 25% reduction in burglaries.

### **Surveillance Cameras Helping to Increase Crime Prevention**

On March 21, 2006, Captain Jodi Wakefield, LAPD Central, reported to the BID Operations Committee that crime is down 15% so far this year in downtown. 30 to 40 arrests have been made because surveillance cameras have captured crimes in process. Historic Downtown BID has recently added 10 cameras which were funded by property owners and CCEA will be financing an additional 10 cameras within the next month.

### **\$100,000 Fashion District Robbery Stopped by LAPD and BID Safe Team**

Two men were arrested after an overnight robbery on Monday, February 13, 2006 at 15<sup>th</sup> and Santee where the burglars tunneled into the property from next door. The BID Night Vehicle Patrol officers found the front license plate of the escaping van. The police traced the van to a City of Bell residence and recovered of 4,000 pairs of stolen jeans.

On February 20, 2006, one of our Safe Team members recognized a suspect wanted on a “no bail” warrant. Our Safe Team by maintaining visual contact with the subject and helped Central LAPD make the arrest. He was selling counterfeit DVDs.

The same day, BID officers and Newton LAPD detained nine intoxicated individuals at 8<sup>th</sup> and San Pedro Streets. All nine were wanted for various outstanding warrants and were taken into custody.

### **Illegal Food Vending**

With the return of SLO Randy McCain, vending enforcement has increased dramatically. SLO Julie Nony and SLO Randy McCain have targeted the Cushman carts and push carts that seem to have re-converged on the district. Arrests, towing of Cushman carts and confiscations are all up – as are merchant complaints to the BID especially regarding noxious fumes from hot dog grilling.

LAPD and County Health working with the Safe Team seized 196 carts in January 2006 and 88 carts in the first weeks of February. Nine arrests were made as a result of these enforcement activities. Illegal vending and counterfeit merchandise enforcement will continue in March 2006.

### **Homeless Count**

A homeless count conducted in January by LAPD with volunteer help. In Central Division 1345 people were counted for one night. Seventy three of those encampments were in the LA Fashion District.

Chief Bratton announced in January that one of the priorities for LAPD in 2006 is improving the conditions in downtown’s Skid Row. Crime rates in Skid Row are currently 128 crimes per 1,000 people compared to a city wide average of 36 crimes/ 1,000 people. Captain Smith reported that 4 people were found dead on December 19, 2005, three from drug overdoses. LAPD is going to target the drug trade on Skid Row.

### **LA CAN “Neighborhood Watch”**

On February 23, 2006, representatives from LA CAN attended the Board of Directors meeting and stated that the organization has a “neighborhood watch” that observes the activities of BID Safe Teams. They commended the LA Fashion District BID for their work in keeping the area safe for everyone.

### **Cedillo/Nunez Proposals to Address Skid Row**

At the urging of the Downtown community and with the help of Councilmember Jan Perry, District 9, State Senator Gil Cedillo and Assembly Speaker Fabian Nunez announced plans in January 2006 to present a package of legislation aimed at reversing some of the policies that have turned Skid Row into the nation’s highest concentration of homeless people. The trio of bills reflects a fundamental change in public policy from one of containment of the homeless in Skid Row to a more regional approach. The bills are still in concept form but here is a synopsis:

#### I “Community Reunification Act”

This bill will address the 186,000 people the Sheriff releases each year and the significant proportion who walk from the jail to Skid Row (39,000 estimate). The bill is designed to help reconnect the people who are released from county custody with their community. If we are to have any chance of reducing homelessness downtown, we must reconnect these individuals with services in their own communities.

#### II “Targeted Drug Enforcement Action”

Similar to legislation which provides stiffer sentences to people who sell drugs near schools, this bill will provide the same penalties for selling drugs near drug treatment centers. This law would have a huge impact for Skid Row as many drug treatment centers are located there. The law will be particularly effective if the Sheriff supports it by keeping offenders in jail for their full sentence, rather than releasing them early as his current practice.

#### III “Community Court”

The Downtown Community has tried to establish a community court for the past several years. The court would match sanctions and services with offenders and build bridges between the courts and social service organizations. These courts help close the jail’s revolving door for these individuals who are clearly in need of help rather than punishment. The bill will likely establish the Skid Row area as a community court pilot project and will be modeled on similar courts in New York and Portland.

In another step toward solving the homeless problem in Los Angeles, Councilmembers Jan Perry and Bill Rosendahl visited New York City January 28, 2006, to observe that city’s model for cleaning up skid row. One of the most successful tools in that effort is the Community Court. According to the LA Times, the delegation saw first-hand how government, business, police and social service agencies could come together to find shelter for homeless people and get them into drug and mental health treatment programs.

In March, the business community, the social service providers and the ACLU with the leadership of the Mayor’s office have reached an agreement to support George Kelling’s plan to address the lawless environment of Skid Row. (see attached LA Times article.)

The proposal recommends that LAPD will target criminal behavior there, although encampments will be allowed to remain in the area. The Mayor’s office announced the following initiatives in Skid Row:

1. 50 new recruits will be assigned to footbeat patrols in Skid Row (these are officers that will soon graduate from the academy);
2. New street lights will be installed starting on 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> Streets between Main and Alameda and will include 3<sup>rd</sup>, 7<sup>th</sup> and 8<sup>th</sup> Streets as funds permit;
3. All trees will be trimmed between 3<sup>rd</sup> and 8<sup>th</sup> Streets from Main to Alameda;
4. Cameras will be installed on City poles throughout Skid Row through a corporate sponsorship and will be monitored at LAPD Central.

These measures will reduce criminal activity in Skid Row and will allow outreach workers to more easily interact with the homeless. Chief Bratton has still not decided whether to support the plan. Ultimately the Mayor plans to release a plan to reduce the homeless population in both Skid Row and the rest of the City.

### **Update on 2004 Allegation of Extortion Against BID Safe Team**

In February 2006, the BID received notice from the City Attorney that all results of the investigation were finalized and no charges were brought forward in the interests of justice and due to a lack of evidence.

### **Proposed 2006 Second Quarter Public Safety Activities**

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.

### **PUBLIC SPACE MAINTENANCE PROGRAMS**

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

#### **Graffiti Removal**

2006 first quarter graffiti removal records show a 45% increase over 2005 first quarter records.

<u>Graffiti Removal Comparison</u>	<u>2005</u>	<u>2006</u>
January	557	655
February	489	555
March	354	820
Totals	1400	2030

#### **Trash Tonnage**

2006 trash tonnage totals taken to the landfills show a 9% decrease over 2005 records. This event represents the first time trash tonnage decreased during a quarter since the inception of the BID in 1996.

<u>(Dumped) Trash Tonnage Comparison</u>	<u>2005</u>	<u>2006</u>
January	239	224
February	246	207
March	252	237
Totals	737	668

One third of the reduction is attributed to the BID's modest recycling effort and the rest due to property owners taking responsibility for handling their own trash (see below).

### **Illegal Dumping Problems**

Although every property owner must, by law, provide a regular collection service for their buildings, the BID is acutely aware of general non-compliance. Illegal dumping is rampant throughout the district especially during holiday sales time. The LA Fashion District BID worked with the LAPD and the Neighborhood Prosecutor during the 2006 First Quarter to launch an education program to increase compliance.

During the last week of January, the BID mailed notification letters to all property owners and delivered the same letter to business owners to inform them of the city's intent to enforce the codes. We received numerous calls from owners and tenants with information about illegal dumping by their neighbors. We provided this information to the Neighborhood Prosecutor for further investigation.

On March 11, 2006 property owners were mailed a second letter from LAPD Central stating code sections and notification of pending enforcement. The BID Safe Team distributed the letter to tenants. Captain Smith and the City Attorney recently toured the district to observe problem areas and to prepare for future enforcement proceedings against offenders. Copies of both letters are included in Attachment 3.

### **Dump Fees Increased and the Central Transfer Station is Closed on Saturdays**

The cost for trash collection and hauling has increased significantly in the first quarter of 2006. Starting March 1, 2006, the City of Los Angeles increased dump fees from \$38.00 per ton to \$42.00 per ton which represents a 10.53% increase.

Also on March 10, 2006, we received notice that the Central Transfer station is once again being closed on weekends. Our collection trucks must now travel to Vernon which takes them out of the district for longer periods of time during our busiest retail shopping days. We have contacted Council District 9 for assistance.

### **Trash Can Liners Distribution Delayed**

The City of Los Angeles provides 190 cases of trash can liners to the BID every month. We received no liners for the month of February. At the BID Consortium meeting held on 2-21-06 Paul Roche, Director of Operation Clean Sweep explained that due to increasing costs for petroleum based products, the City initiated a new BID process to find a better price that \$21.50 per box. We will be getting liners for February and March some time next week. Roche also added that a budget increase is possible for FY 2007 and that will allow them to purchase more liners for the BIDs.

### **District Recycling Pilot Project**

In the first two months of 2006 the BID collected over 14 tons of recyclables which helped reduce our spiraling trash collection costs. In January, the BID was contacted by Lupe Vela -- Deputy for Council District 1 (Reyes). Ms. Vela indicated that she had heard from the EPA in Sacramento that the Fashion District BID was looking for more environmentally friendly methods to dispose of our plastic film (sheeting).



Through Ms. Vela, we were put in contact with Mr. Todd Jones, proprietor of City Fibers, Inc., a local recycler on Santa Fe Avenue. Subsequently the Clean Team received training from Mr. Jones on the various forms of plastic and in mid-January, the BID began to recycle some of the plastics being disposed of in the district. In addition to the plastics we were recycling, City Fibers also agreed to take the glass bottles, aluminum cans and scrap metal our maintenance crews were also picking up.

By the end of March, the BID had recycled 37, 494 pounds (18.75 tons) of plastic, scrap metal, aluminum and glass.

On March 4<sup>th</sup>, 2006, LA City Environmental Specialist Jaime Lozano provided training for the Field Office managers and supervisors from both Clean and Safe. This training provided the BID with other recycling and trash hauling options. According to Lozano, it is the City's desire to assimilate the BID's recycling efforts into those managed by the City's Sanitation Bureau. If our efforts continue and become noteworthy, Mr. Lozano indicated that the city would furnish the BID with additional cases of bags for recycling along with other needed items. They also discussed the feasibility for a merchant education program to help merchants do their own recycling and get paid for it by recycling centers.

#### **Trash Tonnage Decreased**

On the positive side, during the first two months of 2006 trash tonnage collected by the BID decreased 11% compared to 2004 records during the same time period. Part of this reduction appears to be a result of the BID's new recycling efforts and distribution of a series of proactive enforcement letters aimed at illegal dumping offenders.

#### **Purchase of 8210 Sidewalk Cleaning Equipment**

On February 23, 2006, the Board of Directors unanimously approved the purchase of a used Tennant 8210 Sweeper/Scrubber Machine to replace an old 8210 in order to improved service delivery.

#### **Proposed 2006 Second Quarter Public Maintenance Activities**

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.
- Deploy new sidewalk cleaning equipment.
- Evaluate Recycling Pilot Project by tracking status of trash tonnage collected.

## **ADMINISTRATION, COMMUNICATION, SPECIAL PROJECTS ACTIVITY**

Annual Budget

\$704,010

19% of Budget

### **ADMINISTRATION**

#### **Executive Committee Elected**

At the January meeting, four members of the Board of Directors were re-elected to serve as the 2006 Executive Committee.

- Steve Hirsh, Chair
- Ethan Eller, Vice Chair
- Laura Aflalo, Treasurer
- John van den Akker, Secretary

### **ADVOCACY**

#### **Meeting with Council District 14**

On February 10<sup>th</sup>, 2006, BID representatives met with several staff members from the office of Council Member Jose Huizar. Discussion topics included LAUSD assessment payments. A follow up meeting is planned for February 17<sup>th</sup>. Representatives from CD 9 and the City Clerk's office are being invited to help review the status of past efforts and future plans for collecting LAUSD delinquent assessments.

#### **Panel Discussion on Downtown's Human Tragedy: Finding Regional Solutions to Homelessness**

On Thursday, January 19<sup>th</sup>, 2006, a delegation of Fashion District Board members and property owners attended the panel discussion, hosted by the Central City Association, on homelessness in downtown Los Angeles. BID attendees included Board Chair Steve Hirsh; Alexander Moradi; Sam Sale; John van den Akker; and Mark Weinstein.

State Senator Gil Cedillo presented the proposed legislation that is aimed at reversing some of the policies that have turned Skid Row into the nation's highest concentration of homeless people. Other panelists included Sheriff Lee Baca; Councilmembers Mark Ridley-Thomas and Jan Perry; and Ramona Ripston, ACLU Executive Director and newly appointed Commissioner to the LA Homeless Authority (LAHSA).

It was clear from the discussion that many factors have led to the dire situation in downtown and there are as many possible solutions to remedying homelessness. The challenge is to identify the most effective remedies and enact them as soon as possible. This discussion continued on February 15<sup>th</sup> during a panel discussion sponsored by the LA Times in which the Mayor pledged his support to solve the homeless situation in Skid Row.

#### **Request for Assistance to Eliminate Storm Drain Flooding at the Intersection of 7<sup>th</sup> Street and Los Angeles Street**

During a visit with Council Deputy Greg Fischer, CD 9, BID representatives requested assistance to remedy a problem storm drain at 122 E 7<sup>th</sup> Street and 719 S Los Angeles Street. The drain runs through a flat culvert that tops very easily. According to the Bureau

of Engineering on October 4, 2005, a repair project was proposed however no funding was available.

On October 17, 2005 during another heavy rainstorm, we spoke to the Supervisor at Storm Water, who explained that the Los Angeles/7<sup>th</sup> Street culvert and the Maple/12<sup>th</sup> culvert (scheduled for a major repair) are connected, inadequate for current needs, and the line that connects the two culverts has not been cleaned or routed out in many years. The Storm Water crews continue to do their best to keep the visible portions of the drains clean, however that does not address removal of the problem obstructions that may exist underground between the culverts.

We requested assistance from Greg Fischer at CD 9 in our efforts to have these storm water mains routed out to remove trash and silt that may be obstructing water flow and subsequently creating flooding and property damage.

### **Consideration of Lifting the Holiday Construction Moratorium and response from the LA Fashion District Business Improvement District**

Council District 9 Staff presented a proposal to lift the holiday construction moratorium. The proposal was considered at the North & South Santee Alley Association on March 21, 2006, and the LA Fashion District Business Improvement District Board of Directors meeting on March 29, 2006.

The North & South Alley Association members unanimously agreed to oppose lifting the moratorium because of the importance of holiday sales for merchants. The LA Fashion District BID Board of Directors requested that LADOT ease the rules on the proposed Holiday Construction Moratorium by addressing construction permits on a case by case basis. The proposal to lift the moratorium was withdrawn by Council District 9.

### **City Planning Bureau Looking at Industrial Zone Conversions**

Last December, Bud Ovrom, Deputy Mayor, asked City agencies for a collective recommendation regarding strategies to address the increasing pressure to convert the city's increasingly scarce industrial zones to alternative land uses. In a memorandum, Ovrom asked departments to use caution in processing individual land use cases and applications during the study period. This directive has downtown developers concerned about obtaining adaptive reuse permits. At a meeting of the Central City Association's (CCA) Housing, Land Use and Development Committee, Mark Winogrand, Interim Planning Director, explained that a comprehensive field study is being conducted throughout Los Angeles. The downtown study has not yet been conducted.

We attended a special meeting of the City Planning Commission on March 16, 2006 where a number of experts weighed in on the issue, and testified that the LA Fashion District is unique in the vibrant mixture of wholesale and retail uses that thrive here. The conversion of obsolete manufacturing spaces to wholesale showrooms and living spaces has helped the district to become a more urban pedestrian friendly environment. We urged the City to treat our area differently than the rest of the industrial zoned land.

The LA Fashion District's success has been the clustering of wholesale stores by category within the district and the blending of wholesale/retail uses. Some BID property owners have expressed concern about the eastward expansion of the wholesaling area. On the other

hand the proximity of cheaper warehouse and manufacturing spaces (cutting and sample making) is an asset for the district.

At their March meeting Board Members agreed that the BID should be part of the discussion meetings. There is a need for flexibility however there should not be an open field for converting current industrial land uses to alternative uses.

The Planning Department is scheduled to complete the study by summer 2006 and the recommendations will be brought back to the City Planning Commission before going to Council.

### **Downtown Parking Discussion**

The Community Redevelopment Agency (CRA) invited downtown stakeholders to a second community workshop to discuss downtown parking March 2, 2006. The BID has been part of the Parking Task Force since its inception in 2004.

### **Meeting with Central Parking**

The BID met with representatives from Central Parking on January 18<sup>th</sup>, 2006. Central Parking manages 20 lots in the BID and they are interested in improving services to customers. Central Parking is an international company with 22,000 employees world-wide. We are exploring the possibility of providing more information on parking on the Fashion District website.

### **Adaptive Reuse Program**

In March, the City released a second edition of the adaptive reuse program handbook. The handbook outlines the ordinance and how to navigate through the permitting and development process as well as qualification for tax credits and other financial incentives.

### **PE Lofts Receives National "Restore America" Grant Award**

A \$100,000 grant was awarded to PE Lofts on March 16, 2006 from The National Trust for Historic Preservation and Bank of America. Alex Moradi, developer and BID Board Member, will use the grant to assist in the revitalization efforts of this former inter-urban train terminal into loft apartments. The project will be highlighted later this month on the cable network station "HGTV".

### **Maple Storm Drain Repair Update**

The Bureau of Engineering (BOE) informed the BID that the Maple storm drain construction project due to start on March 1 is postponed until July, 2006. The design phase is completed however BOE cannot begin work until the appropriate County permit is obtained. The BID informed BOE that the \$1.6 million MTA streetscape project cannot begin until the storm drain is completed and offered to assist them in any way to secure the permits and to help remove other obstacles to starting the construction project.

### **Business Tax Relief Package**

Several elements of a business relief package, proposed by Councilmembers Wendy Gruel and Eric Garcetti, took effect on January 1, 2006. As part of the package, more than 260,000 businesses will receive an automatic 3.1% reduction in this year's taxes. Citywide, this represents an estimated \$92 billion in relief. Provisions benefiting small businesses were also initiated. This is the first step in a major effort the City is undertaking to cut taxing

and reform the business tax system. Property and Business Owners needed to file by February 28, 2006 in order to qualify.

#### **Business Resource Seminar**

On March 8<sup>th</sup> from 8:00 a.m. to 10:30 a.m. the Mayor's Business Team, and other city departments were available to talk about low interest rate loans, bonds, tax credits, and other city business assistance programs.

#### **Toy Industry Association Business Development Presentation**

On February 10<sup>th</sup>, 2006, a business development delegation addressed the Toy Industry Association (TIA) in New York City to encourage their relocation to downtown Los Angeles and the California Market Center. The association and their tenants currently reside in a 400,000 square foot facility that is slated for conversion to residential condominiums.

California Market Center General Manager John Kim, LA Inc., a toy industry representative and BID Executive Director Kent Smith, spoke at the TIA Board meeting. Mayor Villaraigosa sent a support letter, and the Los Angeles Business Team, LA Inc, pledged assistance during the transition. We were there to provide highlights of the recent downtown renaissance and the BID's role in providing a clean and safe business environment. The TIA has decided to stay in New York City for the foreseeable future.

#### **Keynote in Bakersfield**

Executive Director Kent Smith delivered the keynote speech to a group of downtown Bakersfield owners and officials on February 23<sup>rd</sup>. The City of Bakersfield is in the process of starting a business improvement district and invited Smith to talk about the positive impact that the BID has had on the LA Fashion District.

#### **Proposed 2006 Second Quarter Administration/Advocacy Activities**

- Continue to advocate for homelessness relief.
- Develop a response to the Downtown Circulation Study for the Fashion District.
- Continue to participate in the discussions on Industrial Land Conversions.
- Follow up on request for storm drain routing at 7<sup>th</sup> Street and Los Angeles Street.
- Prepare for the 2006 Annual Property Owner Meeting

#### **IMAGE AND COMMUNICATIONS**

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

**Winter Newsletter**

This quarter's edition highlights the expanding number of events, projects, and creative services in the district. Good news and good numbers came from the Summer 06 Market Week held January 13 – 17. Buyer attendance numbers increase 25% over the 2005 Summer Market and the Gerry Building reported a 90% occupancy rate. See Attachment 2 for a copy of the newsletter.

**“The Intersection” Special Event**

Plans moved ahead during the first quarter for the first Intersection special event for wholesale buyers during the October market week. Owners of the four wholesale buildings at 9<sup>th</sup> Street and Los Angeles Street, and the D&A group, are working together to attract a nationally recognized sponsor to help fund the event.

The LA Fashion District BID Board of Directors agreed to allow the BID to act as the accounting mechanism for the member's contributions and sponsorship dollars; and to act as manager of the event coordinator contract. The BID will not act as the signing entity for any contracts, will not held liable, and will not contribute any additional funds in excess of the current contribution level.

**Downtown LA Walks**

Now that the Wayfinding Signage System is installed throughout downtown, The LA Fashion District BID is working with neighboring BIDs to develop and implement a marketing plan to help visitors use the vehicle, pedestrian and map signs to various popular destinations. A website, advertising, and “pod cast” tours are in the development stages.

**Business Survey**

One of the biggest attractions of the Fashion District website is the searchable directory that allows shoppers to search for stores by product.

The BID completed a new business survey in January to keep this information as current as possible. The last one was done in 2004. The data will be used to update the searchable directory and also by LAEDC in the Market Research Study. A temporary data entry clerk was hired to help enter the thousands of store addresses, websites, and products being sold into a central database.

**Special Advertising Insert in Downtown News**

The February 27 edition of the Downtown News featured a special Fashion District advertising insert to reinforce the BID's destination marketing efforts and advertise the types of products and service available in the district.

**Publicity**

The BID leveraged \$1,671,000 of free publicity during the first quarter. There were a number of articles and stories on the district during the first quarter of 2006. There was an excellent article in the Apparel News reviewing City wide real estate where we were prominently featured. Also very exciting was a January 2006 article in the OC Register about an Urban Shopping Adventures' tours of the Fashion District. The OC Register is the major paper in Orange County, with a circulation of over 300,000.

### **Media Impression, Leveraged Advertising, Website Hit Comparisons**

First Quarter 2006 Media Impressions decreased 10% from 2005. However website hits increased by 72% and unique visitors to the website grew by 20%.

#### **Media Impressions**

<b>2005</b>	99,478,109	<b>2006</b>	89,264,300
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#### **Website Hits**

<b>2005</b>	3,953,000 **	<b>2006</b>	6,788,273
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*\*\* Total number of website hits is not available for October 2005.*

#### **Unique Visitors to Website**

<b>2005</b>	76,000	<b>2006</b>	91,399
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### **Proposed 2006 First Quarter Image & Communications Activities**

- Publish Spring Newsletter.
- Continue to develop The Intersection special event.
- Continue to develop the Downtown LA Walks promotional elements.
- Prepare for 2006 Annual Property Owner Meeting
- Continue to develop the Economic Impact Market Research study with the Los Angeles Economic Development Corporation.

## **SPECIAL PROJECTS**

### **Streetscape Grant Received**

The City of Los Angeles Community Beautification Office granted \$10,000 in matching funds to the Mosaic Garden Streetscape project at the median at 8<sup>th</sup> and San Pedro. Property Owners from the surrounding area are heading the project team. The streetscape work will cost approximately \$80,000 to \$100,000 and the project team is preparing to launch a fundraising effort. The project is currently in the design and permit phase.

### **LADOT & MTA to Fund Streetscape Project at 9<sup>th</sup> & Main Median**

As part of the work to remove the contra-flow bus lane on Spring Street, the MTA and LADOT designated funds to improve the streetscape from 3<sup>rd</sup> Street to 9<sup>th</sup> Street, and the street median at 9<sup>th</sup> and Main Streets. The BID was asked to participate in the design phase as part of the agreement to maintain the project once it is completed.

### **Santee Alley Streetscape Project Update**

In 1999, the LA Fashion District BID was awarded a \$1.6 million grant through the MTA Pedestrian Improvement Tip Call for Projects. The project will begin when the Maple Street Storm Drain Repair Project is completed hopefully some time before the end of 2006.

The Bureau of Engineering suggested that the BID begin to prepare for the design phase by introducing the project to Project Manager Robert Gutierrez. On March 30, 2006, BID representatives met with Mr. Gutierrez and Council Deputy Greg Fischer, District 9, to walk the area.

### **Walk Audit**

The LA Fashion District and The County of Los Angeles Department of Health Services are working together to kick off an organized effort to develop an action plan that will improve overall pedestrian safety for the thousands of pedestrians, merchants, and residents who visit, work, and live in the LA Fashion District. The Walk Audit is scheduled for May 20, 2006.

Also, results from the Walk Audit will provide invaluable information that is keyed to pedestrian safety to help us prepare for the Design Phase of the \$1.6 million Streetscape Improvement Project around the Santee Alley.

### **Sponsorship of Directives West Fashion Shows**

In the past the BID has sponsored a marketing/business development project proposed by a group or person who is interested in promoting the Fashion District. This year the Board of Directors agreed to sponsor two Directives West Fashion Shows for a total contribution of \$10,000. These shows promote the apparel industry to wholesale buyers from the major department stores in the United States. The funds were allocated from the Special Projects budget.

### **Proposed 2006 First Quarter Special Projects Activities**

- Participate in the Streetscape Improvement Projects at 8<sup>th</sup> and San Pedro Streets, and 9<sup>th</sup> and Main Streets.



## Attachments

1. First Quarter Financials
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2006 Activity Reports  
Second Quarter

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## **2006 Operating Budget Summary**

The second quarter improvement and activity financial results are outlined in **Attachment 1**. The total improvement plan budget for 2006 is projected at \$3.6 million.

## **FINANCE**

### **CPI Increase Approved for 2007 BID Assessments**

On May 17, 2006, the Board of Directors approved an increase to the 2007 assessment rate by 3% for all parcels in the district. CPI is 4.8%; however, according to the Management Plan, the BID CPI is capped at 3%. The increase will yield \$96,000 that will be used to cover future wage increases for maintenance and security contract staff and other and expected increases in other costs.

### **2006-2007 Assessment Tax Data Submitted**

All 2006/2007 BID Assessment information was sent to the City of Los Angeles prior to the June 1, 2006 deadline. Assessment billings for the 1,356 parcels in the LA Fashion District total \$3,305,148.54. We will receive 90% of all 2005/2006 assessments by June 30, 2006. LAUSD and CalTrans parcels remain unpaid.

### **Contract Security Staff Wage Increase**

In order to retain and attract competent personnel, the Board of Directors approved a wage increase for all senior staff (Team Leaders and above) by 50 cents an hour effective July 1, 2006. Safe Team officers and dispatchers received raises of 25 to 35 cents an hour.

## **Proposed 2006 Third Quarter Finance Activities**

- Monthly preparation/analysis of financial activity for review of the Executive Director and the Finance Committee
- Preparation/analysis of 2007 Budget for Committee and Board Approval
- Preparation of 2005/2006 Membership List for Board election voting privileges

## **PUBLIC SPACE MANAGEMENT ACTIVITIES**

2006 Annual Budget

\$2,487,867

69% of the budget

## **PUBLIC SPACE SAFETY PROGRAMS**

### **Second Quarter Contact Summary**

Starting April 2005, the format for reporting Safe Team contact data was revised. This change represents the first time since the inception of the BID in 1996, that any revisions have been implemented to the way data is presented. The format revision was initiated based on several indicators: (1) changes in the types of nuisance behavior in the district; (2) to present a clearer picture of the types of crime in the district, and to (3) more closely replicate the reporting format of the LAPD.

A comparison of 2005 – 2006 statistical records for the second quarter show a 3% increase in overall Contacts for the second quarter. Contacts are the number of times that Safe Team Officers responded to an event or incident.

A breakdown of the overall Contact category shows that Citizen Assists declined 43% in the second quarter 2006 compared to 2005. This category includes searches for lost persons, directions provided, and welfare checks.

The Disorderly Conduct category includes events and incidents such as drinking in public, panhandling, trespassing, and unlawful lodging. In 2006, this category shows a 40% increase in activity in the 2006 second quarter as compared with the same activity levels recorded during the second quarter of 2005.

The Illegal Vending – Food category shows a 40% decrease in 2006 compared with 2005 data.

Illegal Vending – Merchandise records show a 50% decrease in 2006 second quarter data as compared with 2005 second quarter activity.

Location Checks for Crime Prevention increased 32% for the time period. This service was initiated as a proactive measure against overnight crime incidents.

### **Illegal Vending**

On May 31, 2006 City Council unanimously approved new city-wide restrictions on catering trucks/Cushman carts (curbside hot dog carts) vendors that make “permanent homes” at metered parking spots in the LA Fashion District, arriving here early in the morning and staying until businesses close. Their “rent” has been the \$35 ticket they receive for spending all day in the metered parking space.

Council agreed to allow these vendors to park for one hour on commercial streets and then they will be forced to leave the area for at least an hour. Leaving the area is defined as moving more than half a mile distant, as measured in a straight line, from the location where the vehicle was parked at the beginning of the one hour period.

This ordinance becomes effective on July 23, 2006. DOT is currently working on an enforcement policy for these new restrictions. LAPD and Street Services will also be able to enforce the ordinance.

The BID Consortium Ad Hoc Vending Committee which we chaired played an important role in bringing Council staff and the various departments together to formulate solutions to this problem.

After six years of working on this issue, we are pleased that the ordinance was unanimously approved. The exact timing of enforcement is still to be determined.

Illegal vendors not only sell food and counterfeit merchandise in the Fashion District. The BID and LA City Animal Services have now teamed up in an effort to identify those individuals transporting caged animals into the district. With an emphasis on filing felony criminal charges for animal cruelty, the BID and Animal Services are going to target vendors in a way similar to the illegal food and DVD vendors. LAPD will also be participating in any enforcement actions initiated by Animal Services.

#### **LAPD Counterfeit Merchandise Enforcement**

On May 23 and 24, 2006, LAPD seized over \$18 million of counterfeit merchandise (Tiffany, Luis Vuitton, Prada, Coach, Bebe, Oakley & Gucci) at 500 Los Angeles Street and in Santee Alley between 12<sup>th</sup> and Olympic. Two people were arrested. These raids made the television news and were covered by several newspapers. A copy of the LAPD press release is attached. (Attachment 2)

#### **Safe Team Members Graduating To Law Enforcement Agencies**

Our second in command, Officer Ken Villegas, has been accepted into the Long Beach Police Academy. He has been replaced by Officer Gilbert Galvan. Two other officers are in the final stages of testing for LAPD and LA Unified School Division Police. This is a testament to their qualifications as Safe Team Officers and is helpful in recruiting new qualified officers to our account.

#### **Proposed 2006 Third Quarter Public Safety Activities**

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.

## PUBLIC SPACE MAINTENANCE PROGRAMS

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

### Graffiti Removal

2006 second quarter graffiti removal records show a **38% increase** over 2005 second quarter records.

<u>Graffiti Removal Comparison</u>	<u>2005</u>	<u>2006</u>
April	347	596
May	569	813
June	505	545
Totals	1421	1954

### Trash Tonnage

2006 trash tonnage totals taken to the landfills show an **11% decrease** over 2005 records.

<u>Trash Tonnage Comparison</u>	<u>2005</u>	<u>2006</u>
April	240	211
May	255	223
June	237	214
Totals	732	648

### Illegal Dumping

On April 24, 2006 the BID was contacted by a merchant who complained of illegal dumping in the alley behind her store at 12<sup>th</sup> and Maple. The BID investigated the report and found the alley impassible because of the trash. Disposal bin companies were contacted to request immediate trash bin maintenance which was followed up by the BID's Clean Team who used over 100 large trash bags to get the alley clean. The alley was dirty again within a week. We contacted Council District 9 for assistance which prompted Legislative Deputy Greg Fischer to personally visit the area. Mr. Fischer immediately called County Health, the Bureau of Street Services, LA Fire Department, and other departments to help address the problem. The Bureau of Street Services visited every merchant and sent warning letters to the property owners reminding them of the fines associated with non-compliance of city regulations to provide dumpsters for their tenants.

### District Recycling Pilot Project

On May 16, 2006 the BID Operations Committee and BID staff considered ways to reduce the costs of trash collection and dump fees. A modest recycling effort started in January shows that

costs have decreased by diverting over 6000 pounds a month of recyclable materials. A significant percent of the tonnage being hauled to the city dump by the BID consists of plastics and plastic film. A representative from the recycling company, Smurfit Stone, provided information on the company's success in recycling plastic film. BID staff also recently learned that Chrysalis received a grant from the City of Los Angeles to initiate a recycling effort.

At the May 17, 2006 meeting Members of the Board of Directors agreed that the BID is not in the recycling business and that a plan should be developed that would allow Chrysalis to continue the effort.

Based on the discussion with the Board of Directors and the Operations Committee, the BID reached an agreement with Chrysalis, the non-profit agency that employs homeless individuals, to take our recycled plastic, glass and aluminum material. They will sort the recyclables and transport them to the recycling facility from our Field Office. In return, they will earn all the revenue from the recycling. They have named us an additional insured on their liability policies. We brokered an agreement with Chrysalis and Smurfit Stone who will handle the plastic recycling for them.

We have passed the one month mark with this arrangement and logistics continue to be refined. Chrysalis and Smurfit Stone are interested in taking the project to the next level with an education campaign for merchants that will focus on recycling within each business.

As shown in the comparison data, trash tonnage records have declined by 11% and a portion of this decline is attributed to the recycling effort.

### **Trash Costs**

The City of Vernon solid waste transfer station is raising rates by \$1.00/ton effective July 1, 2006 to \$39.77. We use this transfer station on Saturdays when the City facility is closed. While lower than the City of Los Angeles rate of \$42/ton it is not worth it to drive the extra distance to Vernon on a daily basis due to our extra labor and fuel costs.

### **Proposed 2006 Third Quarter Public Maintenance Activities**

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.



## **ADMINISTRATION, COMMUNICATION, SPECIAL PROJECTS ACTIVITY**

Annual Budget

\$704,010

19% of Budget

### **ADMINISTRATION**

#### **Annual Property Owner Meeting**

The BID's Annual Property Owner meeting drew an audience of more than 100 property owners and city officials on April 20, 2006. U.S. Congresswoman Lucille Roybal-Allard, 34<sup>th</sup> Congressional District; Councilmember Jan Perry, District 9; and Commissioner Cynthia Ruiz, President of the Board of Public Works spoke to attendees about the revitalization of downtown, problem issues, and their support of the LA Fashion District.

Annual property owner meetings are also a showcase for introducing property improvements completed during the previous year. In the New Construction category, six projects were recognized with District Improvement Awards. Two projects, the Bartlett Building, and Pacific Electric Lofts were recognized in the Adaptive Reuse category. In the Renovation category, 13 projects were honored for façade renovations.

The BID's District Improvement Award Program also recognizes outstanding contributions by city departments, city officials, vendors, and special projects. Outstanding Contribution awards for 2005 went to the LAPD Central Bureau, Central Division, and Newton Division; the Motion Picture Association for their donation of surveillance cameras; the LA Department of Transportation, Metropolitan Transit Authority, and Urban Place Consulting Group for the Downtown LA Wayfinding Signage Program; and to Angelique's Café. The Annual Report brochure is included in the Appendix as Attachment 2.

### **ADVOCACY**

#### **LAPD Newton Division Captain Attends Board Meeting**

At the May 17, 2006 Board meeting, Area Patrol Captain William Murphy reported that Part I crime is down 25% in Newton Division over the past two years. This reduction is due in part to working directly with business and property owners, and the introduction of surveillance cameras.

#### **Board Member and Property Owner Response to the Downtown Circulation Study for the Fashion District**

At the May 16, 2006 meeting the Operations Committee heard a presentation by the traffic consultant Michael Meyer, President, Meyer & Mohaddes regarding the street study being conducted by the City of Los Angeles. The Committee agreed to request that the Board reconsider its previous motion change San Julian Street between 9<sup>th</sup> Street and 11<sup>th</sup> Street from a one way street to a two way street. At the May 17, 2006 meeting the Board of Directors agreed to recommend that no changes should be made to the current street system in the Fashion District.

#### **BID Maintenance of Streetscaping Projects**

Councilmember Greg Smith proposed a motion questioning BID maintenance of Streetscaping projects because of concerns about a BID not being renewed in his district. This BID had undertaken a modest Streetscaping project that it was to maintain. We have installed the

Wayfinding Signs in downtown Los Angeles which all participating BIDs are maintaining. We successfully had the motion continued and have tentatively arranged a meeting with Councilmember Smith on May 16, 2006. As a result of that successful meeting with Councilmember Greg Smith, City Council received and filed a report outlining areas of concern about BID's maintaining streetscape projects in their districts. A small number of BIDs have not been renewed leaving streetscape projects to be maintained by the City.

We successfully argued that the benefits of improving the City of Los Angeles streets far outweighed the costs of the one or two streetscape projects that are no longer maintained by BIDs. We will work with the City Clerk to minimize the possibility of un-maintained streetscape projects by better oversight during the preparation of BID Management Plans and during the streetscape approval process.

### **City Attorney Files Suit On Property Owners Of Huntington Hotel**

According to an LA Times article published on June 15, 2006, Los Angeles has seen a significant increase in the removal of rent-controlled units from the rental market. Nearly 380% of rent-controlled units were lost in 2005 compared with the number of units lost in 2004. The City Attorney found that Landmark and seven affiliates were pushing out rent-control tenants so they could upgrade the units and rent them back out at much higher rates.

The City Attorney filed a suit in Los Angeles Superior Court alleging that the defendant's actions were part of a larger pattern and that, ultimately, the property owners would try to sell the buildings at much higher prices because of the elevated rates. City Attorney Rocky Delgadillo said he considers the charges against the firm a turning point, because the city is using the "unfair competition" law. He said it makes sense to apply the law because those landlords "have an unfair advantage over honest businessmen." If the Superior Court judge rules in favor of the city, the courts could place all the properties owned by Landmark and its affiliates into receivership. The Huntington Hotel at 8<sup>th</sup> and Main Street is included in a list of 25 properties that are being targeted by the City Attorney.

### **County Of Los Angeles Plan To Address Homelessness**

On May 23, 2006, we met County Chief Administrative Officer David Janssen and Asst. Admin Officer Lori Sheehan to obtain more details of the County plan. The \$100 million plan includes an \$80 million housing program. There is evidence that the "housing-first" model is having success in other cities like New York, Philadelphia and San Francisco. It appears that the County's efforts will eventually have a positive impact on the numbers of chronic homeless individuals in downtown Los Angeles.

### **City Attorney Files Appeal to Federal Decision on Homeless**

At the Annual Meeting, Councilmember Jan Perry spoke to us about the Federal Appeals court ruling that will allow homeless persons to continue to sit, lie, and sleep on skid row sidewalks. The City Council requested that the City Attorney appeal the decision and the City Attorney has now filed the appeal.

### **Residential Hotel Conversion Moratorium**

On May 10, 2006 City Council unanimously agreed to a one year moratorium on loft conversions for residential hotels. Councilmember Jan Perry who proposed the ban stated: "As we see downtown...undergoing rapid change and growth, we must protect the most vulnerable people, people in danger of becoming homeless."

The moratorium goes into effect immediately and could be extended for a second year as the city drafts a plan to preserve affordable housing in Los Angeles. This means that for hotels like the Huntington, the only legal way to convert them is into low income housing like the Yankee and Dewey in the Fashion District

### **Safer City Initiative**

On April 27, 2006 we attended a meeting where Chief Bratton and George Kelling discussed the injunction on enforcing the anti-encampment ordinance and the Safer City Initiative. While the Chief agreed that the City should appeal the judgment, he also stressed that the Safer City Initiative for skid row would not be compromised.

LAPD plans to focus on criminal behavior in skid row but will not roll out the plan until enough police resources are in place. That will depend on whether the Mayor's budget is approved by City Council.

### **Street Lighting Project**

Part of the Safer City Plan involves installation of better lighting in the area around Skid Row. The first phase of this project is already underway and includes the installation of 42 pedestrian lights on 7<sup>th</sup> Street between Hill and Wall; Maple Avenue between 6<sup>th</sup> and 7<sup>th</sup> Streets; and Los Angeles Street between 7<sup>th</sup> and 8<sup>th</sup> Streets. All cobra light fixtures will also be replaced with higher intensity lighting. Eventually all of Skid Row and adjacent areas will be included in this lighting project which is entirely funded by the City of Los Angeles.

### **Abandoned Fire Alarm Device Removed at 9<sup>th</sup> and Los Angeles Streets**

June 12, 2006 was a momentous day. After three years of trying to find out what the strange device with protruding wires was that cluttered the pedestrian right of way at the northwest corner of 9<sup>th</sup> and Los Angeles, we finally saw the structure removed. Originally we thought it was a traffic control device but we finally determined it was a fire alarm system that was installed in the 1960's but was redundant by the 1980's and should have been removed.

Greg Fischer of Councilmember Jan Perry's staff and Tony Ho from LADOT, played seminal roles in helping the process which was greatly facilitated by our participation in the 9<sup>th</sup>/Main/Spring Street median project.

### **Maple Alley Pavement Repairs**

The alley south and east of Maple and 12<sup>th</sup> Streets was finally repaired after years of drainage problems there. Greg Fischer played an important role in moving this project up on the priority list.

### **Sewer Project on San Pedro**

We successfully postponed a sanitary sewer project on San Pedro between 7<sup>th</sup> and 9<sup>th</sup> Streets to accommodate the busy Mother's Day season in and around the Flower Marts.

### **Maple Avenue Parking Structure**

The Maple Avenue parking structure to the east side of Maple between 6<sup>th</sup> and 7<sup>th</sup> Streets is now under construction.

### **DEELANC – The Police Horse**

The Downtown Neighborhood Council (DLANC) purchased a horse and donated it to the Los Angeles Police Department Equestrian Unit. BID staff member Lynn Myers, who serves on the DLANC Board Member and Co-Chair of the Transportation & Public Works Committee, played a critical role in shepherding this through the approval process.

The press conference was held on the South Lawn of Los Angeles City Hall on Thursday, June 22, 2006 at 10:00 AM. Councilmember Jan Perry attended and was joined by many members of the LAPD, downtown stakeholders, and media representatives.

### **LEAPS Conference**

On May 9, 2006 the Law Enforcement and Private Security (LEAPS) Conference was held at the Wilshire Grand in downtown Los Angeles. The LA Fashion District was a gold sponsor and Bill Bratton, Chief of Police and Steve Cooley, the District Attorney, addressed the delegates. Bratton praised private security for focusing on crime prevention while many police departments were focused on 911 response time. He stressed the importance of working together to reduce crime in Los Angeles. The focus of the conference was on coping with a major natural disaster. The BID is updating its emergency preparedness plan as a result of this information.

### **Public Records Act Request**

On May 12, three downtown BIDs met with UCLA Law School Professor Gary Blasi, to discuss the Public Records request that was received on March 24, 2006. We've retained Barry Bradley, of Bradley & Gmelich, to act as our attorney.

On June 8, 2006, the LA Fashion District was included in an amended Public Records Act request from Mr. Gary Blasi. We will continue to work with Mr. Blasi to address his request.

### **Slip and Fall Case**

On Tuesday, May 2<sup>nd</sup> Executive Director Kent Smith was deposed by the City Attorney and attorneys for the plaintiff regarding a lawsuit filed against the Department of Water and Power and the Fashion District by a private citizen as a result of a trip/fall accident. Our Insurance provider has assigned an attorney to the case.

### **Proposed 2006 Third Quarter Administration/Advocacy Activities**

- Prepare District Tour for Planning Department, CRA, and Department of Transportation.
- Prepare for 2006 General Election of Five Members to the BID Board of Directors.
- Continue to advocate for homeless reduction.

## **IMAGE AND COMMUNICATIONS**

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

### **Spring Newsletter**

This quarter's edition highlights the 2006 Annual Property Owner Meeting. A copy of the newsletter is included as Attachment 4.

### **“The Intersection” Special Event**

Plans moved ahead during the second quarter for the first Intersection special event for wholesale buyers during the October market week. Owners of the four wholesale buildings at 9<sup>th</sup> Street and Los Angeles Street, and the D&A group, are working together to attract a nationally recognized sponsor to help fund the event.

The LA Fashion District BID Board of Directors agreed to allow the BID to act as the accounting mechanism for the member's contributions and sponsorship dollars; and to act as manager of the event coordinator contract. The BID will not act as the signing entity for any contracts, will not held liable, and will not contribute any additional funds in excess of the current contribution level.

We have now established a new entity “The Intersection LLC”. All Intersection funds are being segregated and deposited into separate bank accounts and separate insurance policies will be procured to cover liability for the buyer event planned for October 20, 2006.

### **Publicity**

On May 11, 2006, the Calendar section of the LA Times featured a story on tours including Urban Shopping Adventures which claimed one of the four photo spots. (A copy of the article is attached) Christine Sylvestri will also be featured on a Telemundo (Channel 52) story on May 11, 2006.

Philadelphia's major newspaper “The Inquirer” is scheduled to publish an article on the LA Fashion District on Sunday, May 14, 2006.

## **Second Quarter Media Impression, Website Hit Comparisons and Leveraged Advertising**

### **Media Impressions**

<b>2005</b>	89,378,000	<b>2006</b>	111,213,925
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### **Website Hits**

<b>2005</b>	7,123,000	<b>2006</b>	7,234,293
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### **Unique Visitors to Website**

<b>2005</b>	70,000	<b>2006</b>	99,728
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### **Free Advertising Dollars Leveraged**

<b>2005</b>	\$1,433,000	<b>2006</b>	\$2,017,000
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### **Proposed 2006 Third Quarter Image & Communications Activities**

- Publish Summer Newsletter.
- Continue to develop The Intersection special event.
- Continue to work on the marketing campaign with Downtown Center BID for the downtown wayfinding signage program, Downtown LA Walks. Program includes print advertisements and podcast tours.
- Revise and reprint Fashion District map guide

## **SPECIAL PROJECTS**

### **LADOT & MTA to Fund Streetscape Project at 9<sup>th</sup> & Main Median**

As part of the work to remove the contra-flow bus lane on Spring Street, the MTA and LADOT designated funds to improve the streetscape from 3<sup>rd</sup> Street to 9<sup>th</sup> Street, and the street median at 9<sup>th</sup> and Main Streets. The BID was asked to participate in the design phase as part of the agreement to maintain the project once it is completed.

A conceptual design for the median project has received preliminary approval by the City and surrounding stakeholders. Detailed design work has commenced. Construction is scheduled to begin before the end of 2006.

### **Santee Alley Streetscape Project Update**

In 1999, the LA Fashion District BID was awarded a \$1.6 million grant through the MTA Pedestrian Improvement Tip Call for Projects. The project will begin when the Maple Street Storm Drain Repair Project is completed hopefully some time before the end of 2006.

The Bureau of Engineering suggested that the BID begin to prepare for the design phase by introducing the project to Project Manager Robert Gutierrez. On March 30, 2006, BID representatives met with Mr. Gutierrez and Council Deputy Greg Fischer, District 9, to walk the area.

This project has now been scheduled to begin construction in September 2007. The project must be completed by April 2008 to meet the State of California funding requirements.

The BID has played an important role in coordinating the storm drain and streetscape projects. Greg Fischer in Councilmember Jan Perry's office has been instrumental in bringing Street Services and the Bureau of Engineering together to ensure these projects are not in conflict with one another.

### **Maple And 11<sup>th</sup>/12<sup>th</sup> Storm Drain Replacement**

The Bureau of Engineering (BOE) informed the BID that the Maple storm drain construction project due to start on March 1 is postponed until July, 2006. The design phase is completed however BOE cannot begin work until the appropriate County permit is obtained. The BID informed BOE that the \$1.6 million MTA streetscape project cannot begin until the storm drain is completed and offered to assist them in any way to secure the permits and to help remove other obstacles to starting the construction project.

The schedule has once again been revised to complete design work by July 31, 2006. The bid and award process is now scheduled from August to December, 2006. Construction will begin January 2007 and be completed by September 2007. Costs have been revised from \$550,000 to \$675,000.

### **LA Fashion District Walk Audit**

On Saturday, May 20, 2006, we hosted a walk audit of the streets surrounding Santee Alley to provide input on the design for the streetscape project. Two dozen business and property owners, residents and other stakeholders including Kathy Godfrey, Jan Perry's Chief of Staff, attended the session.

The project was funded by the County of Health and two consultants helped guide everyone through the audit. At a subsequent meeting with Santee Alley property owners, we are already pursuing one of the suggestions to close 11<sup>th</sup> and 12<sup>th</sup> Streets between Santee and Maple to vehicular traffic on weekends to allow pedestrian traffic to flow more easily.

We understand a final report of the audit will be forthcoming. If not, we may hire one of the consultants for \$1,000 to provide a report with recommendations. It will be a valuable input into the Santee Alley streetscape detailed design.

### **8<sup>TH</sup> and San Pedro Median Streetscape Project**

We have taken a few steps forward and a few steps sideways on this beautification project. The Department of Public Works has approved the removal of the three ficus trees in the median on the understanding that the project includes the planting of three jacaranda trees. The Bureau of Street Services has given a favorable preliminary review of the project.

On May 10, 2006 we met with Flower Market owners, Johnny Mellano and Scott Yamabe, to present the project and ask for their support. On June 19, 2006 we received their hand-delivered letter of opposition to the project and a five-page petition signed by Flower Market tenants. The letter and petition are attached. On June 22, 2006 we responded with a letter explaining that the project is first and foremost a beautification project that will benefit the entire neighborhood and the 90-block district. A subsequent meeting was convened on June 28 to discuss the opposition letter and possible next steps to mediate the objections that center primarily on the proposed "Flower District" sign in the design concept drawings.

### **Proposed 2006 Third Quarter Special Projects Activities**

- Continue to participate in the Streetscape Improvement Projects at 8<sup>th</sup> and San Pedro Streets, 9<sup>th</sup> and Main Streets, and the Santee Alley.

## Attachments

1. Second Quarter Financials
2. 2005 Annual Report
3. Spring Newsletter



<b>FINANCE</b>
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Following are the financial results for the nine months ending September 30, 2006. The results are un-audited but fairly reflect the Activities of the LA Fashion District BID on an accrual basis

**LA Fashion District BID  
Summary of Un-audited Financial Information  
For the 9 months Ended on September 30, 2006**

	<b>2006</b>
<b>ASSETS</b>	
Total Current Assets	\$ 2,534,120
Total Property and Equipment	100,916
Total Other Assets	10,700
Total Assets	<u>\$ 2,645,737</u>
<b>LIABILITIES &amp; CAPITAL</b>	
Current Liabilities	\$ 1,042,276
Long Term Liabilities	-
Retained Earnings	1,323,133
Net Revenue / (Loss) YTD	280,327
Total Liabilities & Equity	<u>\$ 2,645,737</u>
	-
<b>REVENUE</b>	\$ 2,785,845
<b>EXPENSES</b>	
Public Space Management	1,699,057
Administration, Communication, & Special Projects	446,694
South Santee Alley	159,490
Other	200,277
Total Expenses	<u>2,505,518</u>
<b>NET REVENUE / (LOSS)</b>	<u>\$ 280,327</u>

LA Fashion District Business Improvement District  
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1. Third Quarter Financials
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3. Walk Audit Report
4. Bloomin News Newsletter

## **2006 Operating Budget Summary**

The second quarter improvement and activity financial results are outlined in **Attachment 1**. The total improvement plan budget for 2006 is projected at \$3.6 million.

## **FINANCE**

### **2007 Budget and Work Plan**

Preparation for the 2007 Budget and Work Plan started during the third quarter with a staff evaluation of 2006 programs and expenses. During the quarter each Committee discussed and approved any service program changes and budgets. The draft budget and work plan are slated for presentation at the October Finance Committee meeting with final approval at the November Board of Directors meeting.

### **2006 Election Assessment Database**

According to the BID Bylaws only members in good standing are entitled to vote in the annual general election to elect new members to the Board of Directors. A member is considered in good standing if the member has paid all assessments.

During the third quarter, the BID's Finance Manager, Jose Gonzalez, prepared the database for signature by the Secretary of the Board of Directors.

### **Proposed 2006 Fourth Quarter Finance Activities**

- Monthly preparation/analysis of financial activity for review of the Executive Director and the Finance Committee
- Preparation/analysis of 2007 Budget for Committee and Board Approval

## **PUBLIC SPACE MANAGEMENT ACTIVITIES**

2006 Annual Budget	\$2,487,867	69% of the budget
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## **PUBLIC SPACE SAFETY PROGRAMS**

### **Third Quarter Contact Summary**

A comparison of 2005 – 2006 statistical records for the Third Quarter show a 7% increase in overall Contacts. Contacts are the number of times that Safe Team Officers responded to an event or incident.

A breakdown of the overall Contact category shows that Citizen Assists declined 43% in the Third Quarter 2006 compared to 2005. This category includes searches for lost persons, directions provided, and welfare checks.

The Disorderly Conduct category includes events and incidents such as drinking in public, panhandling, trespassing, and unlawful lodging. In the Third Quarter 2006, this category shows a 118% increase in activity compared with the same activity levels recorded during the 2005 Third Quarter.

A breakdown of the Disorderly Conduct category shows increases in several categories during the 2006 Third Quarter. Most notable is the severe increase in Drug Activity that shows a 2000% increase in 2006 over 2005 data. (No, this isn't a typo) Panhandling increased 125% in the same time period, and Unlawful Lodging also rose 118%.

Another spike in activity occurred in the Labor Worker category which rose 1722% in 2006 over 2005. (This isn't a typo either) Although it is legal for laborers to stand on sidewalks and solicit for work, it does appear to exceed the bounds of normality when the workers are seen to rush into the street and run after cars and trucks passing by their favored territory on Pico Blvd. between Main Street and Los Angeles Street. Such events and continuous sidewalk obstruction are causing many property owners to report that businesses in the area are failing and that the BID is at fault for not removing the problem.

The overall Illegal Vending category shows a 25% decrease in 2006 compared with 2005 data.

Location Checks for Crime Prevention and Illegal Dumping increased 35% for the time period. This service was initiated as a proactive measure against overnight crime and illegal dumping incidents.

### **New Street Lights for Downtown Safety**

Earlier this year we reported on Mayor Villaraigosa's Safe City Initiative that would include installation of street lights to provide better lighting around Skid Row. Several of the pedestrian level lighting fixtures have now been installed at Maple and 7<sup>th</sup>. A total of 42 pedestrian lights will be installed on 7<sup>th</sup> Street between Hill and Wall; Maple Avenue between 6<sup>th</sup> and 7<sup>th</sup>; and Los Angeles Street between 7<sup>th</sup> and 8<sup>th</sup>. The project is being funded by the City of Los Angeles.

### **SLO Nony Departs for Hollywood Division**

After six years working in and around the LA Fashion District, Senior Lead Officer Julie Nony transferred to LAPD Hollywood Division. Nony was an invaluable partner in helping to make the area safe by targeting illegal vending and counterfeit goods vendors. She also assisted in the BID's understanding and training in dealing with crime issues.

### **New SLO Assigned to Fashion District Area**

On October 8, 2006 LAPD Senior Lead Officer Marco Duarte started work in the BID. SLO Duarte will ride with SLO McCain until November 15 to get acquainted with the neighborhood and its challenges.

### **Proposed 2006 Fourth Quarter Public Safety Activities**

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.
- Address increased drug activity and day labor issues.

### **PUBLIC SPACE MAINTENANCE PROGRAMS**

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

#### **Graffiti Removal**

2006 third quarter graffiti removal records show a slight decrease over 2005 third quarter records.

<u>Graffiti Removal Comparison</u>	<u>2005</u>	<u>2006</u>
Totals	1381	1094

#### **Trash Tonnage**

2006 trash tonnage totals taken to the landfills show a 4% increase over 2005 records.

<u>Trash Tonnage Comparison</u>	<u>2005</u>	<u>2006</u>
Totals	906	946

#### **Dump Fees Continue to Rise**

On July 1, 2006, the City of Vernon dump, which we use on Saturdays, raised its rate per ton \$1.00 to \$39.77. It had previously raised its rate \$2.00 effective in March. These two increases by the City of Vernon equal an 8.16% increase to the BID's collection budget.

#### **District Recycling Pilot Project**

We have passed the four month mark in our arrangement with Chrysalis to pick up recyclables. After working closely with Chrysalis to develop a seamless process the results to date are disappointing. Although the materials are picked up we have not received appropriate documentation or weight tickets for recyclable plastic. Fashion District businesses generate tons of recyclable plastic every

day and it is the commodity that represents the best opportunity for the highest revenue return. The arrangement put in place by the BID, and Smurfit Stone, the recycling company, to pick up plastics has not been supported by Chrysalis. This is a critical element in the pilot project and next steps to recruit merchants to the program cannot be taken until Chrysalis can guarantee that service can be delivered.

The BID intends to continue the effort. As shown in the comparison data, trash tonnage records are now on the increase and possibly due to the mediocre performance by Chrysalis.

**Tree Trimming**

At the meeting on September 21, 2006 the Board of Directors approved a 50% increase in the tree trimming budget. The additional funds will cover the cost of trimming the same number of trees trimmed by the BID in 2001. Three bids were obtained and TruGreen LandCare was selected for the job. Work will commence in October 2006.

**Proposed 2006 Fourth Quarter Public Maintenance Activities**

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.

**ADMINISTRATION, COMMUNICATION, SPECIAL PROJECTS ACTIVITY**

Annual Budget	\$704,010	19% of Budget
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**ADMINISTRATION**

**Board Election**

On December 31, 2006 the terms of five of the fifteen members of the Downtown Property Owners Association (DPOA) Board of Directors will end.

The Election Committee met on August 17, 2006 to review election timeline and procedures for the 2006 Board of Directors election. This is the fourth direct election of Board Members by LA Fashion District property owners.

As in the previous three years, all property owners within the boundaries of the LA Fashion District Business Improvement District (BID) received an invitation to become a candidate. Invitation letters and instructions for the nomination procedure were mailed to all property owners on August 15, 2006 inviting them to declare their interest in becoming a candidate. Nominations closed on September 15, 2006 and five candidates will seek election for the five available seats. Voting ballots will be mailed on November 1 and the campaign ends on December 1. Election results will be publicly announced at the Board of Directors on December 13, 2006.

## **ADVOCACY**

### **ACLU/LAPD Mediation on Enforcement of Anti-Encampment Ordinance**

The 9<sup>th</sup> Circuit Court of Appeals overturned a lower court decision and granted an injunction preventing LAPD from enforcing the anti-encampment ordinance especially during the evening hours in and around the skid row area of downtown Los Angeles.

LAPD's attorneys recommended that LAPD not enforce the anti-encampment ordinance at anytime, because of the "cloudy nature" of the injunction. The judge has encouraged a mediated settlement and mediation sessions are on going.

### **Safe City Initiative**

As reported previously the Safe City Initiative was initiated in late September. The initiative added 50 LAPD officers to Central Division to target criminal activity in the skid row area of downtown. The BID met with LAPD Captains from Central and Newton Divisions several times prior to the effort to encourage additional attention to areas surrounding Skid Row. The LA Fashion District shares a north boundary with Skid Row on 7<sup>th</sup> Street where the general lawlessness and drug activity is rising at an alarming rate.

At a September 8 meeting with City Attorney Rocky Delgadillo the BID discussed the City Attorney's efforts to deal with criminal activity in Skid Row. The City Attorney has committed 6 prosecutors to the Safe City Initiative in anticipation of the increase in arrests that will result from the initiative. The timing and successful implementation of the Safe City Initiative is tied to reaching a settlement with the ACLU on the enforcement of the anti-encampment ordinance. On September 20 the City Council rejected settlement of the mediation opting to continue the effort to appeal. However Chief Bratton agreed to deploy the 50 officers to help bring order to the area.

### **Drug Crime Penalties**

The City Attorney is retraining LAPD officers to file charges that will result in longer sentences for drug dealers and less chance that they can take advantage of Proposition 36 "loopholes". We are also working with Central City Association to bring these problems to the attention of the District Attorney who prosecutes these cases.

Proposition 36 diverts most people who are arrested for drug possession into treatment programs which are inadequately monitored and open to abuse. Another problem is lenient sentencing as a result of plea bargaining by the District Attorney's office.

The BID Board of Directors agreed to send a letter to the District Attorney in support of the Safer City Initiative with an appeal to enforce appropriate sentencing.

### **District Tour for City Planners a Success**

On July 19, 2006, the Fashion District hosted a special tour of the entire district for City Planning Director Gail Goldberg, Community Redevelopment Agency Chief Executive Officer Cecilia Estolano, and 20 staff members including Greg Fischer, CD 9, and Amy Yaeger, CD 14. A chartered bus escorted the group through the district to give city staff a first-hand look at the changes happening in the district and issues the BID faces in keeping the district a center of economic activity. During the tour Kent Smith described the economic activity going on each sub district of the BID, the rise of residential and commercial condo space, and the overall impact of these developments on the Fashion District. The group disembarked at Santee Alley to help them get a sense of the high volume of vehicle and pedestrian traffic that move through the area.



### **LAUSD Property in the Fashion District**

On September 6, 2006 we met with Richard Alonzo, Superintendent of LAUSD, responsible for downtown and surrounding area schools. While he is not directly responsible for the LAUSD property in the LA Fashion District, he said that if LAUSD declares the site to be surplus, a charter school is likely to claim the site before it would be offered for other uses.

### **Red Car Trolley Study Released**

The Community Redevelopment Agency (CRA) has released a Feasibility Study for the resurrection of Red Car Services in the Los Angeles Downtown area. The study, created with input from the Fashion District and downtown business and neighborhood leaders lays out options for planning, building and funding a Red Car trolley line that would link major downtown destinations. The study examines five downtown alignment options that emerged from the Project Advisory Group. The Fashion District was invited to provide input on the five options.

### **Board Member Response to the LADOT Proposal to Reroute DASH E**

At the Board of Directors meeting on September 21, 2006, Michael Davies, a representative from the Los Angeles Department of Transportation (LADOT) presented two options for Board consideration for rerouting the E line DASH bus. The E line through the Fashion District is the most heavily trafficked route in downtown. A change is necessary to accommodate the upcoming construction projects in that area. The Board decided not to take a formal position on the two proposed options. However, they recognized the need to balance traffic congestion with providing a route which minimizes walking distances for pedestrians.

To help LADOT make the best decision possible, the BID provided the results of the latest pedestrian counts from October 2004 to help identify a location close to the proposed routes at Los Angeles/ Pico and 8<sup>th</sup>/ 9<sup>th</sup>/ San Pedro.

We also urged LADOT to provide sufficient notice to both property owners and tenants in the LA Fashion District and to delay any route changes until after the holiday shopping season.

### **Gum Removal Pilot Project**

At the September 21, 2006 meeting, the Board of Directors agreed to individually sponsor a demonstration gum removal project. The Gum Removal Pilot Project is being promoted by Council District 9 to help a start up business to demonstrate their service. The Coalition for Responsible Community Development (DRCD) will remove the gum on the sidewalks surrounding the South Alley. The BID will feature the young entrepreneurs in the November newsletter to announce the service to property owners and merchants.

### **DLANC Election**

BID Managing Director Lynn Myers was elected to serve another two year term on the DLANC Board of Directors as Fashion District Business Representative. She will also continue as Co-Chair of the Transportation and Public Works Committee.

### **Proposed 2006 Fourth Quarter Administration/Advocacy Activities**

- Conduct election campaign to elect Members to the BID Board of Directors.

## **IMAGE AND COMMUNICATIONS**

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

### **Summer Newsletter**

This quarter's edition highlights the 10<sup>th</sup> anniversary of the LA Fashion District BID. A copy of the newsletter is included as **Attachment 2**.

### **IDA 2006 Special Achievement Award in Marketing Goes to Downtown LA**

The LA Fashion District, as part of the Confederation of Downtown Associations, has won the Special Achievement Award in Marketing and Communications for the Downtown LA Walks Marketing Campaign from the International Downtown Association (IDA). IDA is the premier organization for BIDs and downtown organizations and the awards program is a juried international competition. BID Marketing Director Katherine Schmidt and the Downtown Center BID led the campaign, which includes print ads, a website, podcast tours and media outreach for the new signage program in downtown. The award will be presented on October 9 in Portland, Oregon at the IDA's annual conference.

### **Recent Publicity**

The LA Fashion District and BID Executive Director Kent Smith were profiled in a July article in Women's Wear Daily. The district was also highlighted in a feature story for the Daily News about shopping for bargains. Fashion District store, Moskatel's was listed in the current edition of Lucky magazine as one of LA's best places to find bargains.

### **LA's Largest Mixer**

On July 19, 2006 the LA Fashion was host to LA's Largest Mixer, an annual regional networking event that attracted 2,500 attendees to downtown Los Angeles. The event took place in the California Market Center's newly renovated penthouse special exhibit space. The Fashion District had a booth at the event and raffled a gift basket worth \$500 that contained items from all areas of the district.

### **Market Research Study Update**

On August 23, 2006 we met with the consultants from the Los Angeles Economic Development Corporation and Economics Research Associates who are working on the study. After reviewing the two part draft we are now moving ahead to merge the data, finalize the text, and draw conclusions. It's clear that the study will provide invaluable information about the district. The various studies, surveys, and statistical tables will provide important benchmarking data that can be repeated in the future. We expect to have a final draft in October.

### **Intersection Event on October 20, 2006**

The plan to close 9<sup>th</sup> Street between Main and Los Angeles Streets for a buyer party on the evening of Friday, October 20, 2006 has been postponed until 2007.

### Third Quarter Media Impression, Website Hit Comparisons and Leveraged Advertising

#### Media Impressions

<b>2005</b>	75,883,208	<b>2006</b>	129,971,171
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#### Website Hits

<b>2005</b>	2,456,090	<b>2006</b>	7,139,050
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#### Unique Visitors to Website

<b>2005</b>	44,932	<b>2006</b>	100,910
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#### Free Advertising Dollars Leveraged

<b>2005</b>	\$1,322,279	<b>2006</b>	\$2,331,701
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### Proposed 2006 Fourth Quarter Image & Communications Activities

- Publish Winter newsletter.
- Prepare holiday advertising campaign.
- Direct 2007 media buys.

### SPECIAL PROJECTS

#### **Walk Audit Report**

On May 20, 2006 the LA Fashion District and the County Health Department co-hosted the first Walk Audit Workshop in the history of the BID. The Santee Alley area was selected by the County Health Department because of the high volume of pedestrian traffic and the \$1.6 million in MTA grant funding that will be used for streetscape improvements.

The Walk Audit was well-attended by a great mix of residents, property owners, city staff members, and merchants. The half day workshop not only brought community members together to talk about their neighborhood and pedestrian safety, but also showed them various methods to improve the walking environment. Based on the success of this first outreach effort, the LA Fashion District BID brought in planning consultant Ryan Snyder to prepare additional suggestions for improvements. The final report is attached here as **Attachment 3**.

#### **Stormwater Drain Construction Update**

We received notification from Storm Water / Bureau of Engineering that construction on the storm water drain at 12<sup>th</sup> and Maple will be delayed again. It is now scheduled to start March 2007 and end September 2007. We have been notified that the revised schedule will not negatively impact the construction timeline for the Santee Alley Streetscape Project that will start in September 2007 and end April 2008. We have asked the Bureau of Engineering for a meeting to discuss the construction schedules and logistics. With that information we plan to roll out a communication campaign for property owners, merchants, and employees to keep everyone informed of progress on the improvement projects.

**Bloomin News**

A story about the Mosaic Garden Streetscape Project plan to improve the median 8<sup>th</sup> Street & San Pedro Street appears in the September edition of the Los Angeles Flower Market's bi-monthly newsletter. "A Flower District Gateway Goes Floral" is one of the first articles to appear in the newsletter's new four-color format. A copy is attached here as Attachment 4.

**9<sup>th</sup> & Main Median Streetscape Project Update**

Construction specifications and renderings for this project were submitted to the City of Los Angeles for comments and permit approvals. We received a set of the drawings and made several comments which are now under consideration by the landscape architect.

The BID has played an important role in coordinating the storm drain and streetscape projects. Greg Fischer in Councilmember Jan Perry's office has been instrumental in bringing Street Services and the Bureau of Engineering together to ensure these projects are not in conflict with one another.

**Proposed 2006 Fourth Quarter Special Projects Activities**

- Continue to participate in the Streetscape Improvement Projects at 8<sup>th</sup> and San Pedro Streets, 9<sup>th</sup> and Main Streets, and the Santee Alley.

## Attachments

1. Third Quarter Financials
2. Summer Newsletter
3. Walk Audit Report
4. Bloomin News Flower District newsletter

<b>FINANCE</b>
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Following are the financial results for the twelve months ending December 31, 2006. The results are un-audited but fairly reflect the Activities of the LA Fashion District BID on an accrual basis

**LA Fashion District BID  
Summary of Un-audited Financial Information  
For the 12 months Ending on December 31, 2006**

	<b>2006</b>
<b>ASSETS</b>	
Total Current Assets	\$ 1,674,990
Total Property and Equipment	110,973
Total Other Assets	11,100
Total Assets	<u>\$ 1,797,063</u>
<b>LIABILITIES &amp; CAPITAL</b>	
Current Liabilities	\$ 305,117
Long Term Liabilities	-
Retained Earnings	945,734
Net Revenue / (Loss) YTD	546,212
Total Liabilities & Equity	<u>\$ 1,797,063</u>
	-
<b>REVENUE</b>	\$ 3,710,516
<b>EXPENSES</b>	
Public Space Management	2,371,762
Administration, Communication, & Special Projects	645,635
South Santee Alley	212,653
Other	(65,747)
Total Expenses	<u>3,164,304</u>
<b>NET REVENUE / (LOSS)</b>	<u>\$ 546,212</u>

LA Fashion District Business Improvement District  
2006 Activity Reports  
Fourth Quarter

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### **I Fourth Quarter Activities**

#### **Finance**

#### **Public Space Management Activity**

- Public Space Safety Programs
- Proposed 2007 First Quarter Activities
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#### **Administration and Advocacy**

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- Image & Communications Programs
- Proposed 2007 First Quarter Activities
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### **II Attachments**

1. Fourth Quarter Financials
2. 2007 Budget Summary
3. Industrial Land Use Study and the LA Fashion District
4. 2006 Fall Newsletter
5. 2006 Holiday Tour
6. California Apparel News "Influential 25"



## 2006 Operating Budget Summary

The fourth quarter improvement and activity financial results are outlined in **Attachment 1**. The total improvement plan budget for 2006 is projected at \$3.6 million.

### FINANCE

#### LAUSD Agrees to Pay BID Assessment

LAUSD received a direct request for assessment payment from the BID on August 8, 2005. This public entity owes the BID \$564,810.25 in assessments from 1998 to 2006. In 2005 LAUSD was informed that the BID was prepared to settle the issue using the same principles as applied to other BIDs in Los Angeles: (1) 50% payment for all outstanding BID arrears from 1999-2004; (2) 50% reduction for future BID assessments covering the 2005-2008 periods; (3) waive all penalties and interest charges on the outstanding arrears.

On October 20, 2006 the BID received notice from the City Clerk's office that the Los Angeles School District agreed to pay 50% of their assessment (\$282,000) for the years 1998-2006. A summary on the possible scenarios for using the LAUSD payments was presented at the December Board of Directors meeting.

The funds can be used for any combination of the following three categories:

1. Spend the funds on programs and services.
2. Set up a reserve for unanticipated expenditures.
3. Refund the money to property owners in the form of reduced assessment payments in 2008.

Members agreed to allocate \$20,000 to BID renewal, and \$60,000 to hire an additional Clean Team employee for two years. Allocation of the remaining balance will be based on Board consideration of proposals submitted by standing committees.

#### 2007 Budget Approval

The 2007 Budget was approved by the Board of Directors at the December 2006 meeting. Preparation and review started during the third quarter with a staff evaluation of 2006 programs and expenses. During the quarter each Committee discussed and approved any service program changes and budgets. A 6.5% overall increase for the 2007 budget was approved. The bulk of budget expenses continue to be spent on clean and safe programs. The 2007 Budget Summary was submitted to the City Clerk's office and is enclosed as **Attachment 2**.

The following increases were approved for the 2007 budget:

- (1) A 50 cent wage increase for clean team members, starting January 1, 2007.
- (2) A 11% increase in dump fees to cover the expected city cost increase
- (3) A 25 cent wage increase at mid year for safe team members in addition to their contractual step wage increase in order to stay competitive with other BIDs
- (4) \$51,700 towards a BID Renewal Reserve
- (5) \$50,000 towards a MTA match grant for a streetscape project.

#### Appointment of the 2007 Auditor

The Finance Committee recommended retaining Stanislawski and Harrison to conduct the 2006 audit and financial statement based on positive performance over the last four years. The Board of Directors approved this recommendation at the November 8, 2006 meeting.

#### **Proposed 2007 First Quarter Finance Activities**

- Prepare for the annual Audit and Financial Review.
- Prepare budget forecasts for allocating LAUSD assessment payments.

#### **PUBLIC SPACE MANAGEMENT ACTIVITIES**

2006 Annual Budget	\$2,487,867	69% of the budget
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#### **PUBLIC SPACE SAFETY PROGRAMS**

##### **Fourth Quarter Contact Summary**

Starting April 2005, the format for reporting Safe Team contact data was revised. This change represents the first time since the inception of the BID in 1996, that any revisions have been implemented to the way data is presented. The format revision was initiated based on several indicators: (1) changes in the types of nuisance behavior in the district; (2) to present a clearer picture of the types of crime in the district, and to (3) more closely replicate the reporting format of the LAPD.

A comparison of 2005 – 2006 statistical records show a 27% increase in overall **Contacts** for the fourth quarter. Contacts are the number of times that Safe Team Officers responded to an event or incident.

In a comparison of 2005 – 2006 fourth quarter records we see a 100% increase in **Drug Activity** and a 97% increase in **Panhandling** activity, with **Trespassing** increased by 73% and **Unlawful Lodging** decreased by 12%. These increases may be attributed to the Safer City Initiative and the efforts of an additional 50 officers to arrest and help prosecute drug dealers and other criminal activity in Skid Row. As the LAPD moved through the Skid Row area just north of the BID boundaries, we saw criminal activity increase in our district

As a precaution against criminal activity, the BID increased **Location Checks for Crime Prevention** by 57% during the 2006 fourth quarter compared to the activity necessary during the 2005 fourth quarter. As a result we saw a 41% decrease in **Robbery**, and a 9% decrease in **Theft**. **Vandalism** however was somewhat increased during this time period.

The **Illegal Vending** activity increased 28% this quarter over 2005 fourth quarter records showing the need for continued efforts to control illegally sold goods.

#### Illegal Vending

On December 19, 2006 we attended a meeting sponsored by Council Member Jan Perry to discuss vending problems in the Toy and Fashion Districts. Representatives from LAPD, MPAA, Street

Services and Building & Safety attended the meeting. Representatives from the Toy District expressed concern that illegal vending was out of control. While vending is a concern in the Fashion District we have benefited from the decision to hire County Health Inspectors on the weekends and from our excellent relationship with LAPD. Another meeting has been scheduled for January 9, 2007.

On May 31, 2006 City Council unanimously approved new city-wide restrictions on catering trucks/Cushman carts (curbside hot dog carts) vendors that make "permanent homes" at metered parking spots in the LA Fashion District, arriving here early in the morning and staying until businesses close. Their "rent" has been the \$35 ticket they receive for spending all day in the metered parking space.

Council agreed to allow these vendors to park for one hour on commercial streets and then they will be forced to leave the area for at least an hour. Leaving the area is defined as moving more than half a mile distant, as measured in a straight line, from the location where the vehicle was parked at the beginning of the one hour period.

This ordinance becomes effective on July 23, 2006. DOT is currently working on an enforcement policy for these new restrictions. LAPD and Street Services will also be able to enforce the ordinance.

The BID Consortium Ad Hoc Vending Committee which we chaired played an important role in bringing Council staff and the various departments together to formulate solutions to this problem.

After six years of working on this issue, we are pleased that the ordinance was unanimously approved. The exact timing of enforcement is still to be determined.

Illegal vendors not only sell food and counterfeit merchandise in the Fashion District. The BID and LA City Animal Services have now teamed up in an effort to identify those individuals transporting caged animals into the district. With an emphasis on filing felony criminal charges for animal cruelty, the BID and Animal Services are going to target vendors in a way similar to the illegal food and DVD vendors. LAPD will also be participating in any enforcement actions initiated by Animal Services.

#### Tree Trimming

Work began on the evening of October 29 in the area of San Pedro St. – San Julian St. – Wall St. and 8<sup>th</sup> St. and will continue southward toward the 10 Freeway every night for two weeks. Notices were sent and delivered to all property owners and merchants in the areas where tree trimming was designated. Owners and merchants were reminded to park vehicles off the street during this time period to allow the tree trimmers better access to the street trees as well as reduce the potential for any vehicle damage.

#### Pedestrian Lighting

October through December As part of the Safer City Initiative, pedestrian lighting fixtures are being installed throughout several key areas of downtown. With the return of Standard Time and early evening darkness, public transportation riders will be especially pleased to see new clusters of the antique style fixtures lighting the bus stop area at 8<sup>th</sup> and Main.

#### Request for County Health Inspectors in the LA Fashion District

On November 2, 2006 BID requested two County Health Inspectors to work in the district on November 25 and 26, and Saturdays and Sundays during December for six hours a day. As in the

past four years the BID will pay the overtime costs for these inspectors at \$67 per hour per inspector. Clean Team will continue to assist the inspectors in carrying out their enforcement duties. Food vendors continue to be a significant problem especially during holidays.

#### Holiday Traffic Management

On November 14, 2006, Tiger Team traffic managers were spotted at the intersection of 9<sup>th</sup> and Los Angeles practicing their traffic management skills in preparation for the holiday shopping season. LAPD and LADOT have partnered this year to help move cars and pedestrians through busy intersections this year. Board Member input at the November meeting assisted Captain Ann Young to identify problem spots in the district and prepare for deployment during the holiday period.

#### Holiday Party

The Clean & Safe Team Holiday Party was held on December 20, 2006 and LAPD Commander Grey, LAPD Central Division Captains Smith and Wakefield, LAPD Newton Division Captain Eaton, and former SLO Alicia Jordan attended. The Clean & Safe Teams were acknowledged for the hard work they do every day to maintain the district's public environment.

### **Proposed 2007 First Quarter Public Safety Activities**

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.

### **PUBLIC SPACE MAINTENANCE PROGRAMS**

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

#### **Graffiti Removal**

2006 fourth quarter graffiti removal records show a 3% decrease over 2005 fourth quarter records.

<u>Graffiti Removal Comparison</u>	<u>2005</u>	<u>2006</u>
October	450	466
November	392	425
December	454	371
Totals	1296	1262

## **Trash Tonnage**

2006 trash tonnage totals taken to the landfills show a 16% decrease over 2005 records.

<u>Trash Tonnage Comparison</u>	<u>2005</u>	<u>2006</u>
October	265	229
November	301	239
December	275	239
Totals	841	707

### District Recycling Pilot Project

As of June 31, 2006, the BID recycled 62,378 pounds of plastics, scrap metal/tin, glass and aluminum cans. Starting June 2006 all recyclable material was picked up from our field office by Chrysalis Corporation. The BID received no revenue from Chrysalis however the arrangement reduced costs that were previously incurred for collection and dump fees. During a six month trial period Chrysalis was unable to reliably safeguard the plastic film sheeting and keep accurate statistics. Effective December 2006, Facilities Support Services, the BID's current Clean Team service contractor, took over the recycling of the plastic film sheeting. Chrysalis continues to provide recycling service to the BID for CRV recyclable items, such as aluminum cans and glass bottles.

## **Proposed 2007 First Quarter Public Maintenance Activities**

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.

## **ADMINISTRATION, COMMUNICATION, SPECIAL PROJECTS ACTIVITY**

Annual Budget	\$704,010	19% of Budget
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## **ADMINISTRATION**

### Board Election

On December 31, 2006 the terms of five of the fifteen members of the Downtown Property Owners Association (DPOA) Board of Directors ended. As in the previous three years, all property owners within the boundaries of the LA Fashion District Business Improvement District (BID) received an invitation to become a candidate. Invitation letters and instructions for the nomination procedure were mailed to all property owners in August 2006 inviting them to declare their interest in becoming a candidate; nominations closed in September. Five candidates indicated interest in running for the five available seats with four of the five outgoing Board Members seeking re-election for another term. Voting ballots were mailed to all property owners in November and the election campaign

ended in December. The election results were publicly announced at the Board of Directors on December 14, 2006. The newly elected Members will serve three year terms.

- Sharen Emrani Bekhrad Venice Investments
- Barry Gold Re-elected
- Sina Kangavari Re-elected
- Lance Kluger Re-elected
- Steve Needleman Re-elected

This is the fourth direct election of Board Members by property owners. This direct election procedure is unique among BIDs as many BID Boards appoint new members. The cost to conduct the election was approximately \$5,900 which is higher than last year's cost due to the increased number of property owners who purchased residential and showroom condominiums within the BID boundaries. Members agreed that there are other less expensive ways to conduct elections however the current process offers credibility and transparency to the selection of Board Members.

#### Board of Directors Votes to Augment Santee Alley Security Costs

At the December 14, 2006 meeting, Members of the BID Board of Directors agreed to allocate \$25,000 from the existing 2006 BID Safe Team budget to cover the cost of providing LAPD off-duty officers patrol service in the North Santee Alley area.

## **ADVOCACY**

### Industrial Land Use

In December 2005, the Deputy Mayor for Economic Development Bud Ovrum, requested the Planning Department to prepare strategies to address the increasing pressure to convert the City's industrial zones to residential uses. Loss of industrial land within city centers is an issue throughout the country. On November 14<sup>th</sup>, 2006 the City of Los Angeles hosted a presentation of "Preliminary Recommendations for Industrially Zoned Land in the Greater Downtown Los Angeles Area." While some of the recommendations acknowledge the changing face of downtown Los Angeles there is a concern that the recommendations may not have considered current and past planning efforts and the articulated community goals.

The Central City East Association, the Central City Association, and the Los Angeles Fashion District requested additional information from City Planning and the Community Redevelopment Agency to assist in the analysis of the preliminary recommendations. These entities represent a significant majority of the industrially zoned land in Downtown Los Angeles.

The LA Fashion District has transformed from an industrial area to a mix of wholesaling and retailing outlets as well as adding over 2,000 residential units to create a lively economically successful neighborhood. The entire district is included in the City Center Redevelopment Project that was adopted by City Council in May 2002. The redevelopment plan promotes mixed use development and sets out appropriate guidelines for allowing residential uses within industrially zoned areas.

The Board's District Vision Statement adopted unanimously on June 20, 2002 states: "The LA Fashion District will be the world wide creative center of the fashion industry with a unique, accessible, clean and safe environment in which to work, visit and live."

The LA Fashion District has had a net gain in wholesaling jobs during the last four years and as well as adding over 1,000 residential units. These activities are not only compatible but also support one another by bringing restaurants and other services into the district and providing choices in the working environment for these creative occupations (live/work lofts). On the other hand the District's small size parcels and obsolete older buildings are not suitable to modern manufacturing.

The LA Fashion District is also within walking distance of thousands of jobs in downtown's financial district and other portions of the district are within walking distance of the Blue Line rapid transit station at Washington and San Pedro. The district is well located to support denser development including residential development that can be located above retailing and wholesaling uses.

In the Fall 2006 newsletter, property owners received a map illustrating the various zoning recommendations for the LA Fashion District and an invitation to comment. (See **Attachment 3**)

Generally, stakeholders believe that other planning policies and objectives need to be taken into consideration in addition to the need for preserving industrial jobs when recommending land use designations for the district.

At the BID Board of Directors meeting on December 14, 2006, Members unanimously resolved to request that Councilmember Jan Perry (9<sup>th</sup> District) and Councilmember Jose Huizar (14<sup>th</sup> District), direct the City Planning Department and the Community Redevelopment Agency to:

1. Extract the Downtown Recommendations from the larger Citywide Industrial land use policy process, thereby allowing recommendations for Hollywood and West LA to move forward unencumbered by Downtown LA.
2. Make the underlying study data and reports available to the public on the City Planning department website.
3. Involve the downtown stakeholders in the preparation of land use recommendations for downtown Los Angeles.

The Chair appointed an Ad Hoc Committee to review the progress of this issue and prepare further recommendations for Board consideration.

Based on community feedback the original comment deadline of December 15, 2006 was extended to February 15, 2007. The BID has scheduled a meeting with Planning Director Gail Goldberg on Friday, January 5, 2007 to discuss concerns along with representatives of Central City Association (CCA) and Central City East Association (CCEA). We also met with Bud Ovrum from the Mayor's office on December 14, 2006 and with Jessica Wethington McLean, the Planning Director with Council Member Huizar's office on January 2, 2007 to present our concerns with the recommendations.

#### Support for Adaptive Reuse Projects in the BID

At a public hearing on October 25, 2006, we spoke in favor of the adaptive reuse of three buildings adjacent to the Santee Court project by Jade Enterprises which will augment the residential community in the Los Angeles Street/Santee Street area near 8<sup>th</sup> Street.

#### Market Week Special Event

On December 1, 2006 the BID met with Board of Public Works President Cynthia Ruiz to discuss the Mayor's interest in promoting Los Angeles fashion to the buyers coming in for Los Angeles Market weeks. The Mayor is interested in a signature event in that will give buyers something to remember and link the fashion and entertainment industries.

#### LADOT General Manager Gloria Jeff Talks Traffic

On October 31, 2006 Gloria Jeff presented LADOT's long term plans to mitigate traffic congestion in downtown. Among the plans discussed, Jeff summarized the plan to complete a Downtown Walkability Study by mid-2007, progress on the CRA Parking Study, and the partnership that has been forged between LADOT and the Planning Department to plan for transportation/residential hubs in downtown. The BID plans to invite Jeff and LADOT staff for a special tour of the district in early 2007.

#### CRA'S Downtown Los Angeles Parking Management Ordinance Implementation Project

The Community Redevelopment Agency of Los Angeles (CRA/LA) held a special meeting in November with Downtown stakeholders to discuss the CRA's Downtown Los Angeles Management Ordinance Implementation Project. This study proposes a comprehensive set of new policies and programs related to Downtown parking.

For the LA Fashion District they recommend 0.6 parking spaces per 1,000 sq. ft. for new office development, one space per 1,000 sq. ft. of new retail space (7,500 sq. ft. minimum) and one space for every new residential unit. Adaptive reuse units are exempt. We have been working closely with the CRA on this study to ensure that the parking concerns of all Downtown stakeholders are addressed.

#### ACLU – LAPD Settlement Agreement Impact on BID

On November 14, the Los Angeles City Council once again declined to approve the ACLU-LAPD settlement agreement, which was negotiated in response to a 9<sup>th</sup> Circuit ruling earlier this year that deemed Los Angeles' "no sit, sleep, lie" law unconstitutional. The settlement agreement, which we opposed, would have authorized street encampments on the north section of the LA Fashion District BID in the area bordered by 3<sup>rd</sup> Street to the north, 7<sup>th</sup> Street to the south, Main Street to the west, and Alameda Street to the east, including Skid Row, between the hours of 9 p.m. and 6 a.m.

Council chose not to vote on the matter after Mayor Antonio Villaraigosa asked the City Attorney to withdraw his recommendation to approve the settlement in light of strong community opposition, from both business and residents which was organized in large part by Councilmember Jan Perry.

#### Anti-Encampment Ordinance

The existing Los Angeles anti-sleeping ordinance is out dated and poorly written and that partially explains why it has been declared unconstitutional by the 9<sup>th</sup> Circuit court. The existing ordinance has not been effective in preventing tents to be used for criminal activities such as drug dealing and prostitution. Councilmember Jose Huizar introduced a motion to instruct the City to report back with recommendations for a new municipal code provision to address encampments on public property. We are working closely with Councilmember Huizar's staff to help move this item forward.

#### Safer City Initiative

On December 4, 2006 we attended a meeting sponsored by the Mayor's office to comment on the Safer City Initiative. We continue to strongly support the Safer City Initiative and support LAPD's and the City's effort to reduce criminal activity in Skid Row. LAPD Central has also given 8<sup>th</sup> Street some extra attention as some encampments have been set up here. Street robberies and car thefts are occurring in South Park, west of our district. We are working closely with LAPD to make the Safer City Initiative a success.

#### C.A.R.E. Pilot Project Proposal

A significant percentage of misdemeanor clients arrested in the skid row area are repeatedly convicted for the same types of nuisance crimes. Many of these individuals suffer from mental



illness, developmental disability and or trauma. The ideal scenario is to get immediate help for the individual to stop the cycle. The Public Defender's Office and the City Attorney's office are working together to establish a pilot project called Safer Cities Care. The project would partner lawyers and social workers in the courtroom to identify candidates by conducting an onsite needs assessment and treatment plan when the individual is charged with a crime that is connected to mental illness, developmental disability or trauma. Individuals who are determined by the Public Defender's attorneys and social workers to be suitable for "wrap around" services would be transported the same day to centers that guide each individual through drug treatment, counseling, placement in affordable housing, employment/education opportunities, and other transitional services that focus on the goal of reentry.

On October 10, 2006, BID staffs from the Fashion District, Toy/Industrial District, and Downtown Center met with attorneys from the Public Defender's Office and the City Attorney's Office to discuss a possible partnership that would fund the hiring of four social workers. With increasing numbers of arrests in skid row this type of follow up is a critical element in the effort to eliminate persistent criminal activity in the area and in downtown.

The cost to hire four social workers for a one year pilot is \$375,000. The Public Defender is developing a summary of the project that can be used in fundraising efforts. Private donations will be encouraged.

#### Illegal Dumping Investigations and Enhanced Enforcement

The LA Fashion District has been plagued for many years with illegal dumping incidents. The cost to the BID for collection and removal of illegally dumped trash generally exceeds our annual budget for overall collection costs and dump fees. The BID and neighboring downtown BIDs have fully supported the Bureau of Street Services Investigations Department in their work to conduct illegal dumping investigations.

On November 1, 2006 the City of Los Angeles Public Works Committee presented a report to the City Council for consideration of a proposed Ordinance amendment to the Los Angeles Municipal Code Section 61.07 (a) to enhance arrest authority for Street Services Investigators. The Public Works Committee recommended Council action that will initiate a request to the City Attorney, with the assistance of the Chief Legislative Analyst to prepare and present an Ordinance to amend Section 61.07 (a) to enhance arrest authority for Street Services Investigators in order to increase their effectiveness and efficiency in conducting illegal dumping investigations. This authority would be similar to authority granted to City Transportation Investigators or Animal Services Officers. The BID will track the progress of this initiative.

#### New Route for DASH E

The BID Board of Directors met with LADOT representatives to discuss two possible options for rerouting the current DASH E Route service. In a follow up letter to LADOT, the Board opposed rerouting the DASH bus to San Pedro Street and approved the Los Angeles Street alignment. Although a temporary change is necessary to relieve traffic congestion on Maple Avenue and to accommodate construction projects due to start in March 2007, the Board agreed that the popular DASH E route should continue to run through the center of the district rather than at the east boundary. The change is scheduled to take effect on January 8, 2007. Fashion District property owners and business owners received notification in the Fall 2006 newsletter.

#### IDA Annual Conference in Portland, Oregon

Three BID staff members traveled to Portland on October 9, 2006 to attend scores of workshops and seminar sessions to learn about recent issues and developments in urban revitalization projects

throughout the nation and the world. Topics included social issues, operations, marketing, transportation, residential, retail, planning and organization building.

#### Smith Elected to IDA Executive Committee

BID Executive Director Kent Smith was elected to the International Downtown Association's (IDA) Executive Committee in the role of Treasurer. Smith has served on the IDA Board since 2002.

### **Proposed 2007 First Quarter Administration/Advocacy Activities**

- Work with Mayor's office to consider developing a special event around the March 2007 Market Week
- Continue to advocate for homeless reduction.
- Initiate BID Renewal Efforts

### **IMAGE AND COMMUNICATIONS**

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

#### Fall Newsletter

The Downtown LA Walks Marketing Campaign was featured in this edition as the International Downtown Association's 2006 Special Achievement Award winner for Marketing & Communications. See **Attachment 4**.

#### LA Fashion Awards

Held on October 20, 2006 at the Orpheum Theatre, the second annual LA Fashion Awards was seen as an overall success and expected to evolve into a very important event for the apparel industry. The LA Fashion District was a sponsor for the event.

#### Directives West Fashion Show

The BID sponsored two "Directives West" runway shows in 2006. The second show took place on October 9 and attracted an impressive turnout of majors buyers who enjoyed the opportunity to see extensive collections from well-known apparel designers.

#### BID Marketing Expertise Helping Residential Complexes

The BID met with representatives from the Textile Building and Santee Court residential projects to discuss how the BID can assist with their ongoing marketing efforts.

### LAUSD Funds

At the meeting on November 28, 2006 the Image & Communications Committee Members agreed to ask the Board for \$60,000 in 2007 and 2008 of the LAUSD assessment payment. The funds will be used for outside assistance in devising a cohesive branding campaign that includes all major segments of the district that will ultimately serve to take the district to the next level in public awareness and district achievement. This item was continued by the Board until the March, 2007 meeting.

### Holiday Advertising Campaign

For the 2006 holiday season, the BID hosted a guided holiday shopping tours led by Urban Shopping Adventures (USA) on December 8, 9, 15 and 16. The two-hour long tours were a shortened version of USA's standard walking tour. Tours cost \$10 per person; with all proceeds benefiting LA's BEST. Registration and payment is required through the district's website. The tours are currently being promoted through print ads in LA Weekly, Downtown News and La Opinion, plus radio spots on KCRW. See **Attachment 5**.

California Apparel News released its annual list of the year's "Influential 25". Fashion District spokespersons, property owners, and business owners figured prominently in the line up. See **Attachment 6**.

## **Fourth Quarter Media Impression, Website Hit Comparisons and Leveraged Advertising**

### Media Impressions

<b>2005</b>	110,106,000	<b>2006</b>	111,569,955
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### Website Hits

<b>2005</b>	3,953,000*	<b>2006</b>	6,894,912
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### Unique Visitors to Website

<b>2005</b>	76,000	<b>2006</b>	98,251
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### Free Advertising Dollars Leveraged

<b>2005</b>	\$1,748,150	<b>2006</b>	\$1,996,798
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\*Total number of Website Hits are not available for October 2005

## **Proposed 2007 First Quarter Image & Communications Activities**

- Publish Winter Newsletter
- Coordinate Market Week Event

## **SPECIAL PROJECTS**

### Santee Alley Streetscape Project Update

In 1999, the LA Fashion District BID was awarded a \$1.6 million grant through the MTA Pedestrian Improvement Tip Call for Projects. The project will begin when the Maple Street Storm Drain Repair Project is completed.

The Bureau of Engineering suggested that the BID begin to prepare for the design phase by introducing the project to Project Manager Robert Gutierrez. On March 30, 2006, BID representatives met with Mr. Gutierrez and Council Deputy Greg Fischer, District 9, to walk the area.

This project has now been scheduled to begin construction in September 2007. The project must be completed by April 2008 to meet the State of California funding requirements.

The BID has played an important role in coordinating the storm drain and streetscape projects. Greg Fischer in Councilmember Jan Perry's office has been instrumental in bringing Street Services and the Bureau of Engineering together to ensure these projects are not in conflict with one another.

### Saturday Street Closure Proposal Terminated

One of the comments heard from several attendees at the Walk Audit in May 2006 was a suggestion to close 11<sup>th</sup> and 12<sup>th</sup> between Maple and Santee to vehicular traffic on weekends. This proposal was taken to the Santee Alley Association members for their input and they agreed to let their tenants decide if they were in favor of this proposal for a 2-week pilot project. A petition was circulated and merchants agreed that street closures would not improve the business environment. The proposal was terminated.

### Mosaic Garden Streetscape Project Receives \$25,000 Grant from CRA

This streetscape project at 8<sup>th</sup> and San Pedro received a welcomed infusion of funding from the Community Redevelopment Agency. First steps on Phase 1 of this project, located at the median on 8<sup>th</sup> and San Pedro Streets, were initiated in November with removal of the three ficus trees and trimming the Chinese Silk tree. The project team met with planners from the Community Redevelopment Agency of Los Angeles (CRA/LA) who are working with us to obtain an A-Permit for removing the broken concrete around the Chinese Silk tree. CRA planners will also assist us with the Phase 2 design process and to obtain the B-Permit necessary for major construction.

### Fashion District Phase II Streetscape Project Application for the 2007 MTA Call for Projects

With the assistance of Council District 9 the Fashion District submitted two project applications for City Staff consideration for the upcoming 2007 Metropolitan Transit Authority (MTA) Call for Projects in the Pedestrian Improvement category. The Streetscape Phase II application requests funding to improve the pedestrian environment that connects the north part of the district to the Santee Alley Streetscape Phase I project, and a Fashion District Gateway Structure. Although competition for these funds will be intense we hope that the Santee Alley Streetscape project, approved for funding by MTA in the 1999 Call for Projects, will help leverage the Streetscape Phase II project.

### 9<sup>th</sup> and Main Streetscape Project Update

LADOT continues to move forward on the B-Permit process for this streetscape project. The Bureau of Engineering and DWP are conducting plan checks. Several minor changes in the landscape design may be necessary to accommodate the underground utility vaults. LADOT projects a Summer 2007 start date for this streetscape project.

#### CRA/Fashion District Grant Application to Cal Trans

On October 10, 2006 the BID and the Community Redevelopment Agency of Los Angeles (CRA/LA) submitted a grant application to the California Department of Transportation (Cal Trans) to fund a district-wide Mobility Plan Study.

Funds for this project will allow the City to integrate creative solutions for compatible use of the street by pedestrians, public transit, and vehicles through improvements to pedestrian access, parking management, public transportation enhancements, goods movement and special event issues within the project area. In addition, the project will seek to reduce traffic congestion, improve air quality, and increase pedestrian safety.

We received letters of support from Congresswoman Lucille Roybal-Allard, State Senator Gil Cedillo, and Councilwoman Jan Perry. A determination is expected in mid 2007 and if approved the project will begin in September 2008.

#### **Proposed 2007 First Quarter Special Projects Activities**

- Continue to participate in the Streetscape Improvement Projects at 8<sup>th</sup> and San Pedro Streets, 9<sup>th</sup> and Main Streets, and the Santee Alley.

## Attachments

1. Fourth Quarter Financials
2. 2007 Budget
3. Industrial Zone Recommendations for the LA Fashion District
4. Fall 2006 Newsletter
5. Holiday Advertising Newspaper Insert
6. "Influential 25" from California Apparel News

LA Fashion District Business Improvement District

2007 Activity Reports

First Quarter

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### **II Attachments**

1. First Quarter Financials
2. Industrial Zone Recommendations for the LA Fashion District
3. Opposition to LA Marathon Route
4. Winter 2006 Newsletter



## **2007 OPERATING BUDGET SUMMARY**

The first quarter improvement and activity financial results are outlined in **Attachment 1**. The total improvement plan budget for 2007 is projected at \$3.9 million.

## **FINANCE**

### **2006 Annual Audit & Financial Statement Review**

Stanislawski & Harrison Auditors conducted the annual audit and reported that financial statements presented fairly in all material respects. The financial position of the Downtown Los Angeles Property Owners Association as of December 31, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended are in conformity with generally accepted accounting principles in the United States.

The auditor explained that the 2006 audit was conducted under a new Statement on Auditing Standards (SAS 112 – Communicating Internal Control Related Matters Identified in an Audit), enacted in May 2006 and effective on all audits for periods ending on or after December 15, 2006. This new standard, as compared to the superseded standard (SAS 60), is more rigorous in its requirements for evaluating and communicating control deficiencies identified as part of the audit. As a result, control deficiencies that would not have been reported previously (due to mitigating controls) may be reportable under the new standard. The auditor recommended that a CPA should be on the Finance Committee to review financial statements for compliance with new General Accounting Practices guidelines.

The Board of Directors unanimously approved the 2006 Audit and Financial Statements at their meeting on February 22, 2007. A copy of the audit was forwarded to the Office of the City Clerk.

A summary financial statement will be communicated to property owners in the 2006 Annual Report and at the Annual Property Owner meeting on May 31, 2006.

### **Proposed 2007 Second Quarter Finance Activities**

- Prepare and submit 2007-2008 Assessment Data to the Office of the City Clerk.

## **PUBLIC SPACE MANAGEMENT ACTIVITIES**

2007 Annual Budget

\$2,631,900

68% of the budget

This portion of the budget is allocated to all Clean & Safe Program Services.

## **PUBLIC SPACE SAFETY PROGRAMS**

### **First Quarter Contact Summary**

A comparison of 2006 – 2007 statistical records show a 3% increase in overall **Contacts** for the first quarter. Contacts are the number of times that Safe Team Officers responded to an event or incident.

In a comparison of 2006 – 2007 first quarter records we see a 33% decrease in the **Disorderly Conduct** category. The Disorderly Conduct category includes Unlawful Lodging, Drinking in Public, Trespassing, Panhandling, and Drug Activity.

**Drug Activity** decreased 79% over last year and **Drinking in Public** decreased 45% over last year's records. However, a 25% increase in **Panhandling** activity was seen throughout the district. **Trespassing** decreased by 35% and **Unlawful Lodging** decreased by 36%. These decreases indicate the effectiveness of the Safer City Initiative, the efforts of an additional 50 officers to arrest and help prosecute drug dealers and other criminal activity in Skid Row.

In the **Robbery** category there was a 29% decrease in incidents recorded in the 2007 first quarter as compared with records for the same time period in 2006. However, in the **Vandalism** category, incidents jumped from 16 recorded in the 2006 first quarter to 44 incidents recorded in the 2007 first quarter. The Vandalism category includes both property and vehicle incidents.

As a continued precaution against criminal activity, the BID increased **Location Checks for Crime Prevention** with over 8,800 individual location checks recorded during the first quarter of 2007. This represents a 12% increase over 2006 first quarter records.

In the **Illegal Vending** category, activity increased 64% during the quarter over 2006 first quarter records showing the need for continued efforts to control illegally sold goods.

### **Cushman Carts and Possible Vending District**

Council District 9 has received complaints from the Cushman Cart owners who were being ticketed due to a new law that required them to move their carts every hour or risk being towed. Council District 9 has asked for a meeting with BID and hot dog cart vendors to review the existing regulations.

CD 9 is considering implementation of a vending district similar to that in Mac Arthur Park. These districts have not worked well in Los Angeles and elsewhere.

On March 27, 2007 we attended a meeting of City staff, LAPD, representatives of the hot dog carts & BID directors to discuss the concept of a vending district in downtown Los Angeles.

We stated our concerns about the hot dog carts in the LA Fashion District including health violations, trash & rat attracting garbage, smells, & locating on narrow sidewalks disrupting traffic flow. We noted that the LA Fashion District now has 90 restaurants & the upper floor spaces no longer have thousands of manufacturing workers that the vendors served for many years. We applauded LAPD & Street Services on their recent enforcement efforts. A survey we conducted on March 9 & 11, 2007 showed that the number of vendors had declined by 64% from October 2004 & 44% from January 2005. Hot dog carts have decreased by 84% from October 2004.

We indicated we were not opposed to the establishment of a vending district in downtown Los Angeles but cautioned that we have not seen a vending district that has worked anywhere in the United States. We stated

that the DWP property on the east side of Maple south of Pico would be a good location for legal vending in the LA Fashion District. After the meeting, Kathy Godfrey, Jan Perry's Chief of Staff thanked us for raising concerns about the creation of a vending district. She has agreed to tour the LA Fashion District on Thursday April 12, 2007 to see the vending first hand.

We continue to get complaints from property owners north of 7<sup>th</sup> street who have been told to stop outdoor merchandising by the City who is enforcing all laws through the Safer City Initiative. Much of the increased vending enforcement is as a result of LAPD's efforts to enforce all City rules & regulations. These property owners continue to be very upset that these rules are not being enforced throughout the LA Fashion District.

### **Sidewalk Obstruction, Illegal Vending and Enhanced Enforcement**

On February 14, 2007, Council District 9 convened a meeting of property owners and tenants to discuss the recent efforts by LAPD and the Bureau of Street Services to enforce laws on sidewalk obstruction, illegal dumping, and parking. Several LA Fashion District Board Members, property owners and staff members attended.

Many of the nearly 50 owners and tenants who attended the meeting protested what they perceived to be selective enforcement of the laws that are negatively impacting their businesses. Captain Andy Smith, LAPD Central, explained that because of the Safer City Initiative, 50 new officers were deployed to improve the area of Skid Row and to enforce a wide range of laws including sidewalk obstruction. Captain Smith said the enforcement effort started in Skid Row, moved to the Toy District and is now entering the north part of the Fashion District. The City Attorney explained that enforcement will continue until the laws are changed to more closely mirror the needs of the community.

The BID has received three different viewpoints from property owners:

- Allow outdoor display and sidewalk sales.
- Allow outdoor display only.
- Allow no outdoor display or sidewalk sales.

### **Safer City Initiative**

On January 25, 2007 the BID attended a meeting sponsored by the Mayor's office to discuss the impact of SCI on reducing criminal activity in Skid Row.

SCI has reduced the crime in Skid Row by 11% since September 2006 and over 1000 drug related arrests have been made since SCI began. The number of encampments in Central Division has decreased from 1,876 in September 18, 2006 to 875 January 15, 2007, a more than 50% reduction. The BID strongly supports LAPD's efforts in Skid Row.

### **Counterfeit Merchandise/Piracy**

On March 23, 2007 we met with Rob Calia, Senior Manager of the Anti-Counterfeiting & Piracy Initiative for the US Chamber of Commerce. They have been working on more stringent legislation & enforcement initiatives to curtail counterfeiting in New York. They plan to launch a similar initiative in Los Angeles this summer.

On March 20, 2007 we met with Christopher Garcia, Deputy City Attorney & Jerry Bauk, Supervising Attorney, Identity Theft Unit along with representatives of MPAA & Sony Picture Studios to discuss enforcement efforts on counterfeit DVD's. We have seen some modest increases in the number of counterfeit DVD's in the LA Fashion District. MPAA promised to address this issue as soon as possible.

### **Community Court Seminar**

On March 29, 2007 we attended a seminar hosted by RAND Corporation & the City of Santa Monica to discuss the benefits of a Community Court in downtown & Santa Monica. Judges, politicians, City & District Attorney staff, public defenders & social service providers attended the event. Representatives of the community court in New York including the presiding judge gave presentations on the court & how it might work in Los Angeles.

## **Proposed 2007 Second Quarter Public Safety Activities**

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.
- Address illegal vending in the district.

## **PUBLIC SPACE MAINTENANCE PROGRAMS**

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

### **Graffiti Removal**

2007 first quarter graffiti removal records show a 10% decrease over 2006 first quarter records.

<u>Graffiti Removal Comparison</u>	<u>2006</u>	<u>2007</u>
January	655	661
February	555	620
March	820	540
<b>Totals</b>	<b>2030</b>	<b>1821</b>

Increasing the number of overnight **Location Checks** may be acting as a deterrent to graffiti tagging in the district.

### **Trash Tonnage**

2007 trash tonnage totals taken to the landfills show a 7% decrease over 2006 records.

<u>Trash Tonnage Comparison</u>	<u>2006</u>	<u>2007</u>
January	209	196
February	212	186
March	208	206
<b>Totals</b>	<b>2030</b>	<b>1821</b>

### **LAPD 77<sup>th</sup> Street Station Recognition**

On February 6, 2007 Commander Gannon and Captain Sargent presented a plaque to the LA Fashion District BID as well as individual certificates to each Clean Team member involved in a clean up project at LAPD 77<sup>th</sup> Division. It's the first award presented to the Clean Team by another organization and the recognition was sincerely appreciated by everyone at the BID.

All female suspects arrested in Central Division must be booked at 77<sup>th</sup> Division which has facilities for female suspects. In August 2006 the BID was asked by Captain Scott Sargent for help in cleaning the exterior of 77<sup>th</sup> Street Station. Over the next several months the BID periodically deployed Clean Team members to improve the station's appearance. A subsequent inspection by Chief Bill Bratton brought many compliments and City crews are now regularly maintaining the building.

### **Proposed 2007 First Quarter Public Maintenance Activities**

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.

### **ADMINISTRATION, IMAGE & COMMUNICATIONS, SPECIAL PROJECTS ACTIVITY**

Annual Budget	\$752,000	20% of the Overall Budget
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This portion of the annual BID budget includes all Administration, Image & Communications, and Special Projects service programs. The remaining budget is allocated to City Fees, Depreciation, Uncollected Revenue, South Santee Alley Overlay, and a modest BID Renewal Reserve.

### **ADMINISTRATION**

#### **Officer Election**

According to the Bylaws, officers must be elected at the January meeting.

- John van den Akker was nominated Chair and the motion was approved by unanimous vote.
- Mark Chatoff was nominated Vice Chair and the motion was approved by unanimous vote.
- Laura Aflalo was re-nominated Treasurer and the motion was approved by unanimous vote.
- Laurie Sale was nominated Secretary and the motion was approved by unanimous vote.

Laura Aflalo resigned from the Finance Committee in February 2007. Board Member Justin Remeny was appointed to the Finance Committee and Mark Cohen, a CPA, was also appointed to the Finance Committee.

#### **BID Renewal**

The current BID will end on December 31, 2008. Renewal efforts must begin in 2007 to allow sufficient time for a detailed review of possible new BID boundaries, programs, budget, benefit zones, and assessment formulas. At the meeting on January 11, 2007, The Board of Directors unanimously agreed to forego the seed money available from the City of Los Angeles and hire BID consultant Steve Gibson, president of Urban Place Consulting Group (UPCG) to develop the District Management Plan. Mr. Gibson has provided consultation services for both successful renewals.

An ad hoc Steering Committee was formed and Board Member Barry Gold was elected to Chair the renewal effort. Mr. Gold was Chair of the successful 2003-2008 renewal effort. The Committee's goal is to complete a new District Management Plan by summer 2007.

## **ADVOCACY**

### **Industrial Land Use**

On January 5, 2007 Board Members Mark Chatoff and Steve Hirsh and Executive Director Kent Smith attended a meeting Planning Director Gail Goldberg to discuss concerns about the proposed industrial zoning changes in the Fashion District.

At a subsequent meeting on January 16, 2006 BID representatives met with Jane Blumenfeld and Conni Pallini of the Planning Department as well as Don Spivak and Steve Andrews from the Community Redevelopment Agency. The meeting focused on the compatibility of residential development with wholesale fashion uses in the LA Fashion District. The LA Fashion District BID recommended increasing density from the current 1.5 FAR to encourage more residential use. We are hopeful that the Planning Department will adjust its recommendation for the LA Fashion District. We have worked with Councilmember's Perry and Huizar and both are supportive of our position on this issue.

On January 17, 2006 we met with Jane Usher President of the City Planning Commission to discuss the industrial land use recommendations.

The LA Fashion District also worked with Central City Association on a commissioned study to examine the economic impact and job creation of industrial compared to mixed use zoning. Thomas Jirovsky of C B Richard Ellis Consulting is the author of the report. An entire chapter of the report was devoted to the LA Fashion District. Other chapters examined rezoning in other cities as well as the particular issue in downtown Los Angeles. A copy of the report is included as Attachment 2.

On March 5, 2007, Councilmember Jan Perry, District 9, Councilmember Jose Huizar, District 14, Central City Association and the LA Fashion District held a press conference to present a report that opposes the City Planning Department's effort to restrict the vast majority of industrial land in Downtown from future mixed-use development in the attempt to preserve industrial jobs.

On March 21, 2007, S. Gail Goldberg, Director of Planning, published a memo to clarify that residential applications in industrial areas already earmarked for residential development (includes west of Maple north of 9<sup>th</sup>, west of Los Angeles between 9<sup>th</sup> and Pico and west of Maple south of Pico in the Fashion District) will be processed expeditiously while the Planning Department finalizes recommendations for the rest of the industrial zoned land in the LA Fashion District.

Council's Planning and Land Use Committee approved a motion sponsored by Councilmember Jan Perry and amended by Councilmember Jose Huizar requesting the Planning Department and CRA form a Working Group of Downtown stakeholders, including the LA Fashion District, to respond to the City's recommendations on industrial areas. The Fashion District testified in support of the motion and sees the working group as an excellent vehicle to address this issue. The Working Group will begin meetings in the near future. The Fashion District commends Gail Goldberg for her outreach efforts and interest in working with the community.

### **BID to Pay Streetscape Utility Fees**

The Department of Transportation is requiring the BID to pay utility costs for lighting and irrigating the streetscape median improvement project at 9<sup>th</sup> and Main Streets. The City is increasingly requiring private organizations to pay for utility and maintenance costs for streetscape improvements. This action is a result of the enormous demand from all sectors for infrastructure improvements.

At the meeting on March 7, 2007, the Board of Directors approved payment of utility and maintenance expenses involved with the streetscape project at 9<sup>th</sup> Street and Main Street.

### **Task Force Discusses Illegal Animal Sales and Sale of Counterfeit Goods in the LA Fashion District**

On Monday, February 12, 2007, the BID met with a group of attorneys from the City Attorney's Office assigned to review the illegal sale of animals and counterfeit goods. Animal Services and LAPD officers also attended

to discuss how the groups can work together to enforce laws regarding illegal pet stores selling animals, and counterfeit goods including the sale of DVDs, CDs, and purses. Based on the discussion and follow up tour of the district, the City Attorney Task Force plans to craft a letter for distribution to tenants and owners regarding laws pertaining to aiding and abetting illegal vendors. The Task Force will also work directly with Animal Services and LAPD to review strategies for enforcing related laws that will assist those agencies in identifying and apprehending offenders.

### **Opposition to L.A. Marathon**

On January 30, 2007, representatives of the LA Marathon notified the BID that the race course had been changed from its previous course to one that now includes substantial portions of downtown and the LA Fashion District. We immediately registered our objections with Councilmember Perry but have been informed that it was too late to alter the route.

The impacts of the LA Marathon were substantial on businesses that were open on the day of the race, Sunday, March 7, 2007. It was nearly impossible to access the district by vehicle as 11<sup>th</sup>; San Pedro, Olympic, Los Angeles and 7<sup>th</sup> Streets were closed from early Sunday morning until after 5pm. The BID also incurred non-budgeted expenses to deploy additional Safe Team members.

After the event Councilmember Perry requested input from owners and merchants about the impact of the Marathon Route through the Fashion District to decide if the route should change or stay the same for next year. Board members agreed to ask for a route revision that takes runners away from the Fashion District. (See Attachment 3)

### **City BID Law**

On January 19, 2007, the City Council resolved to support legislation that would clarify the existing State law with regard to the formation of property-based Business Improvement Districts in Charter Cities. Current policy in the city allows property-based BIDs to be formed and administered by two separate laws: the City's "Alpha" BID law which applies to economically disadvantaged areas of the City and the State's Property BID law which is applied to all other areas of the City. The Alpha BID requires at 30% approval from property owners and the State Law requires a 50% approval. The LA Fashion District was formed and renewed by the 50% threshold.

The Chief Legislative Analyst (CLA) published a report on February 13, 2007 based on input from the BID Consortium, a BID Working Group, the City Clerk's Office, and the City Attorney. After extensive research the City Attorney opined that the 30% threshold recommended by the BID Working Group is preempted by state law. However, clarification of this issue in relation to Charter Cities is needed before Citywide application of the State PBID law can occur. The City Council is expected to hear the issue in April.

### **736 Los Angeles Adaptive Reuse**

On February 2, 2007 The Planning Department approved the rezoning of the above property owned by Jade Enterprises for 60 residential condominiums. The BID had testified in support of the project in November 2006. This project is located between Santee Court and Phase III of Santee Village and is in the area that the Planning Department recommended for mixed use including residential in their preliminary land use recommendations.

### **City Attorneys Attend BID Board Meeting**

On January 11, 2007 representatives from the City Attorney's office attended the Board of Directors meeting. The City Attorney's office is conducting extensive outreach efforts to gain input from community members on quality of life issues. Board members were asked to contact the City Attorney's office with information on properties for sale that could be converted to affordable housing and resources for school uniforms that will be worn by students as part of his Anti-Gang Plan. Attorneys Jose Equebide and Maria Aguillon presented information on the progress of the Safer City Initiative, the SOS Program that helps get repeat offenders into rehabilitation, and nuisance abatement proceedings on several nearby hotels. They asked Board Members to provide feedback on the direction of the programs.

### **Street Repaving on Olympic Blvd. and 15<sup>th</sup> Street**

During February 2007 the Bureau of Street Services (BSS) repaved Olympic Blvd. between Main Street and San Julian Street. In March 2007 BSS graded and repaved 15<sup>th</sup> Street between Main Street and San Pedro Street. The work was done overnight to avoid disruption of daytime business. During both projects the BID assisted BSS by distributing notices to merchants. It was a pleasure to work with the fine staff at BSS and we appreciate the City's efforts to address the important problems of the dilapidated infrastructure in the Fashion District.

### **DASH Re-Routed**

DASH route E was re-routed from Maple Avenue to Los Angeles Street in January 2007 to prepare for construction along Maple Avenue, and to improve schedule adherence. For the next six months LADOT will conduct ridership counts to analyze and report the results of changing the route to Los Angeles Street. The BID will monitor the process and any further changes that may be proposed.

### **New Staff**

On February 12, 2007 we welcomed Joanna Cheatham our new Administrative Assistant. Joanna replaced Veronica Nunez who left on January 31, 2007 to return to school.

### **Proposed 2007 First Quarter Administration/Advocacy Activities**

- Continue to advocate for favorable Industrial Land Use Zoning changes.
- Continue BID Renewal Efforts

## **IMAGE AND COMMUNICATIONS**

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

### **Winter Newsletter**

This quarter's edition highlights the guided Holiday Tours hosted by the BID with proceeds donated to LA's Best for after school program enhancements. Valentine's Day in The Flower District also made front page news not only in the BID newsletter but also on KABC, KNBC, KTLA, KTTV, KCAL and KMEX whose television crews covered one of the busiest days of the year in the largest wholesale and retail flower market on the west coast. See Attachment 4 for a copy of the newsletter.

### **LA's Best Donation and Site Visit**

For the 2006 holiday season, the LA Fashion District Business Improvement District (BID) hosted guided shopping tours led by Urban Shopping Adventures (USA) in December. Interested shoppers registered at the Fashion District website, [fashiondistrict.org](http://fashiondistrict.org). and all tours quickly filled up. Shoppers from all over the California, and even a few from other states, came to shop on the two-hour long shortened version of USA's standard walking tour.

The tours cost \$10 per person, with all proceeds benefiting LA's BEST, a partnership between the Mayor's Office, the City of Los Angeles, the Los Angeles Unified School District and the private sector that provides after school education, enrichment and recreation programs for more than 25,000 children throughout the City of Los Angeles.



On February 1, 2007, the BID was pleased to visit the LA's BEST 20th Street Elementary School, just outside of the Fashion District on Washington Boulevard, and present a check of \$1,590 to the school. The donation consisted of the holiday tour proceeds plus individual donations from BID Board members John van den Akker, Ethan Eller, Mark Chatoff, Laurie Sale and Steve Hirsh.

### **Market Week Kick-Off Event**

On January 11, 2007, Commissioner Cynthia M. Ruiz, President, Los Angeles Board of Public Works attended the Board of Directors meeting on behalf of Antonio Villaraigosa, Mayor of the City of Los Angeles, Councilwoman Jan Perry, District 9, and Councilman Jose Huizar, District 14. Commissioner Ruiz explained that Mayor Villaraigosa and the Councilmembers want to help the Los Angeles fashion industry move to the next level with city support and increased press attention. A city – fashion industry partnership is needed to maintain the current synergy and the timing is right for a successful collaborative effort to promote the Los Angeles Fashion Market Week to the world. The next Market Week is scheduled to start on March 22, 2007 and Commissioner Ruiz expressed interest in assisting the BID and property owners with the necessary logistics to launch an inaugural special event for buyers. The overall goal is to increase business and encourage buyers to return in October. The Board of Directors agreed to sponsor the 2007 March Fashion Market Special Event in combination with The Intersection partners to cover the costs for the event.

On March 23, 2007 The Intersection partners hosted over 1,000 buyers and VIPs at the reception held in the California Market Center (CMC) lobby. In a special video presentation, Mayor Villaraigosa announced that a special Fashion Advisory group comprised of apparel industry professionals would be formed in 2007 to address key issues. The Intersection group is now seeking sponsors to support a follow-up event for the October 2007 Spring Market Week.

### **Market Research Report**

At the Board of Directors meeting on February 22, 2007, the market research report "Beyond the Trends: Economic Contributions of the Los Angeles Fashion District" was presented by project consultants Nancy Sidhu, LAEDC Vice President & Senior Economist; Michael Montoya, LAEDC Analyst; and David Wilcox, ERA Senior Vice President. The last market research report was completed in 1996. This report was developed as an important benchmark of a decade of growth in the Fashion District and direction for the future. LAEDC was selected to head the project as they are the premier "big picture" organization in Los Angeles County. ERA's expertise in analyzing data on the micro scale level was required to develop the "hard numbers" to back up the anecdotal stories of growth in the Fashion District.

Key District Facts show there are 4,375 businesses in the district, 37,000 workers, \$3.78 in Business Revenues are generated here, and 53,000 Buyers/Exhibitors during Market Weeks spent \$50 million in downtown hotels, restaurants, etc. Real estate trends show significant value increases over the last 10 years. A reader-friendly publication is being developed to summarize the findings of the report and will be presented at the Annual Property Owner Meeting on May 31, 2007.

### **Researching Public Relations Firms**

At their meeting on March 15, 2007, the Image & Communications Committee agreed to explore the potential for hiring a public relations firm to increase district marketing efforts. Staff is drafting a Request for Proposal and identifying companies with fashion, retail and development experience.

## First Quarter Media Impression, Website Hit Comparisons and Leveraged Advertising

### **Media Impressions**

	<b>2006</b>	<b>2007</b>
January	24,145,000	21,190,000
February	32,135,000	27,718,000
March	32,985,000	42,850,000
<b>Totals</b>	<b>89,265,000</b>	<b>91,758,000</b>

### **Website Hits**

*Not available at this time due to technical problems.*

### **Unique Visitors to Website**

*Not available at this time due to technical problems.*

### **Free Advertising Dollars Leveraged**

	<b>2006</b>	<b>2007</b>
January	\$538,000	\$475,000
February	\$588,000	\$480,000
March	\$545,000	\$1,111,000
<b>Totals</b>	<b>\$1,671,000</b>	<b>\$2,066,000</b>

## Proposed 2007 Second Quarter Image & Communications Activities

- Publish Spring Newsletter
- Publish Market Research Report
- Prepare for Annual Property Owner Meeting

## **SPECIAL PROJECTS**

### **Santee Alley Streetscape Project Update**

In 1999, the LA Fashion District BID was awarded a \$1.6 million grant through the MTA Pedestrian Improvement Tip Call for Projects. The project will begin when the Maple Street Storm Drain Repair Project is completed.

The Bureau of Engineering suggested that the BID begin to prepare for the design phase by introducing the project to Project Manager Robert Gutierrez. On March 30, 2006, BID representatives met with Mr. Gutierrez and Council Deputy Greg Fischer, District 9, to walk the area.

This project has now been scheduled to begin construction in September 2007. The project must be completed by April 2008 to meet the State of California funding requirements. The BID has played an important role in coordinating the storm drain and streetscape projects. Greg Fischer in Councilmember Jan Perry's office has been instrumental in bringing Street Services and the Bureau of Engineering together to ensure these projects are not in conflict with one another.

### **MTA Grant Application Submitted for Phase II Streetscape Project**

The BID is working with Council District 9 and the Bureau of Street Services (BSS) to prepare an application for funding from the Metropolitan Transit Authority (MTA) for a Phase 2 Streetscape Project. The LA Fashion District Streetscape Phase II application will emphasize improvements to the pedestrian environment from 7<sup>th</sup> Street to Los Angeles Street to Olympic Blvd. and link up with the Streetscape Phase I project surrounding the Santee Alley. We are requesting \$1.7 million and the BID has committed \$50,000 in matching funds.

In February 2007 we learned that the project had been approved by the City Council to proceed to MTA for review and funding consideration. Although competition for these funds will be intense we hope that the Santee Alley Streetscape project, approved for \$1.6 million by MTA in the 1999 Call for Projects, will help leverage the Streetscape Phase II projects.

### **Mosaic Garden/8<sup>th</sup> & San Pedro Streetscape Project**

First steps on Phase 1 of this project, located at the median on 8<sup>th</sup> and San Pedro Streets, were initiated in November 2006 with removal of the three ficus trees and trimming the Chinese Silk tree. In February 2007 the project team met with a contractor, who is working on a number of downtown projects, to discuss an overall plan and next steps for completing Phase 1 by June 15, 2007.

### **9<sup>th</sup> and Main Streetscape Project Update**

LADOT continues to move forward on the B-Permit process for this streetscape project. The Bureau of Engineering and DWP are conducting plan checks. Several minor changes in the landscape design may be necessary to accommodate the underground utility vaults. LADOT projects a Summer 2007 start date for this streetscape project.

As previously mentioned in the Advocacy Section of this report, the Department of Transportation is requiring the BID to pay utility costs for lighting and irrigating the streetscape median improvement project at 9<sup>th</sup> and Main Streets. The City is increasingly requiring private organizations to pay for utility and maintenance costs for streetscape improvements. This action is a result of the enormous demand from all sectors for infrastructure improvements.

At the meeting on March 7, 2007, the Board of Directors approved payment of utility and maintenance expenses involved with the streetscape project at 9<sup>th</sup> Street and Main Street.

### **Proposed 2007 Second Quarter Special Projects Activities**

- Continue to participate in the Streetscape Improvement Projects at 8<sup>th</sup> and San Pedro Streets, 9<sup>th</sup> and Main Streets, and the Santee Alley.

## Attachments

1. First Quarter Financials
2. Industrial Zone Recommendations for the LA Fashion District
3. Opposition to LA Marathon Route
4. Winter 2006 Newsletter

LA Fashion District Business Improvement District

2007 Activity Reports

Second Quarter

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### **II Attachments**

1. Second Quarter Financials
2. Economic Study
3. 2006 Annual Report
4. Recent Publicity

## **2007 OPERATING BUDGET SUMMARY**

The second quarter improvement and activity financial results are outlined in **Attachment 1**. The total improvement plan budget for 2007 is projected at \$3.9 million.

## **FINANCE**

### **CPI Increase Approved for 2008 BID Assessments**

On May 31, 2007, the Board of Directors approved a 3% increase to the 2008 assessment for all parcels in the district. In Los Angeles the Consumer Price Index (CPI) was 3.5% in April 2007 according to the US Bureau of Statistics website; however, according to the 2003-2008 Management Plan, the BID CPI is capped at 3%. The increase will yield a \$152,000 raise in the 2008 assessments that will be used to cover future wage increases for maintenance and security contract staff and increases in other expected costs.

### **2007-2008 Assessment Tax Data Submitted**

All 2007/2008 BID Assessment information was submitted to the City of Los Angeles on June 4, 2007. Assessment billings total \$3,404,386.99 for the 1,420 parcels in the LA Fashion District (including government owned parcels).

### **Budgets for 2008 and 2009**

During June, 2007 a draft budget was prepared to identify real and potential expenses for the last year of the 2003-2008 BID in order to prepare a budget for the first year of the next BID.

During the third quarter the draft 2008 budget will be reviewed and approved by committees for final recommendations to the Finance Committee in October and finally to the Board of Directors in November.

### **Proposed 2007 Third Quarter Finance Activities**

- Committee reviews of 2008 budget.
- Continue BID renewal efforts.

## **PUBLIC SPACE MANAGEMENT ACTIVITIES**

2007 Annual Budget                                      \$2,631,900                                      68% of the budget

This portion of the budget is allocated to all Clean & Safe Program Services.

## **PUBLIC SPACE SAFETY PROGRAMS**

### **Second Quarter Contact Summary (this information is pending-will update when we receive stats)**

A comparison of 2006 – 2007 statistical records show a 20% increase in overall **Contacts** for the second quarter. Contacts are the number of times that Safe Team Officers responded to an event or incident.

In a comparison of 2006 – 2007 second quarter records we see a 2% decrease in the **Disorderly Conduct** category. The Disorderly Conduct category includes Unlawful Lodging, Drinking in Public, Trespassing, Panhandling, and Drug Activity.

**Drug Activity** decreased 83% over last year. **Panhandling** activity is slightly increased over last year, however records show a 66% increase in activity when compared to 2007 first quarter totals. **Drinking in Public** sees a 9% decrease over last year's records, however **Drunk Person** contacts rose 100% over 2006 activity. **Trespassing** decreased by 5% and **Unlawful Lodging** decreased by 1%.

As a continued precaution against criminal activity, the BID increased **Location Checks for Crime Prevention** with over 9,496 individual location checks recorded during the second quarter of 2007. This represents a 20% increase over 2006 second quarter records. It is significant to note that records show an 82% drop in **Robbery**, a 33% decrease in **Theft**, and a 42% decrease in **Vandalism** activity in the district over 2006 second quarter totals.

In the **Illegal Vending** category, activity increased 65% during the quarter over 2006 second quarter records. A comparison of 2007 first / second quarter activities also shows a continued increase (58%) in illegal vending and the need to continue the efforts to control illegally sold goods.

### **Illegal Vending**

Efforts continue to eliminate illegal vending in the Fashion District. Kathy Godfrey, Jan Perry's Chief of Staff, toured the LA Fashion District on Thursday April 12, 2007 to see the vending first hand.

On Saturday May 5, 2007, Xiomara Copena, with CHURLA who represents the hot dog venders, toured the LA Fashion District to see the extent of vending in our district & the problems vending causes for our merchants & the public. We also met Songhai Miguda-Armstead the new Neighborhood Prosecutor to discuss vending problems in the LA Fashion District.

Media outlets continue to feature stories about the extent of the problem. On Sunday April 1, 2007 the LA Times featured a front page story (California Section) of the City/County enforcement effort. On April 9, 2007, BID Executive Director Kent Smith was interviewed by Univision TV (Channel 34) allowing us to outline our concerns about vending in the LA Fashion District.

Without amendments to the current ordinances governing sidewalk sales, illegal vending will continue to be a drain on the downtown economy.



### **Sidewalk Obstruction and Enhanced Enforcement**

We continue to get complaints from property owners north of 7<sup>th</sup> street who have been told to stop outdoor merchandising by the City who is enforcing all laws through the Safer City Initiative. Much of the increased vending enforcement is as a result of LAPD's efforts to enforce all City rules & regulations. These property owners continue to be very upset that these rules are not being enforced throughout the LA Fashion District.

In April 2007, BID property owners and merchants located on Los Angeles Street between 5<sup>th</sup> and 7<sup>th</sup> Streets submitted a petition to the Board of Directors that indicates their support for allowing outdoor displays on public sidewalks. City codes that forbid outdoor merchandising are being enforced by LAPD, Building & Safety, and Bureau of Street Services in an effort to eliminate illegal vending and as part of the Safer City Initiative. The petition signers are located within the Safer City Initiative zone and are therefore subject to code compliance. Due to the number complaints from owners and merchants about city code enforcement, Council District 9 asked the BID to come forward with an opinion to either enforce or amend the codes.

On May 7, 2007, Kent Smith met with Dave Lara, Brad Neighbors & Luke Zamperini to discuss outdoor merchandising in the LA Fashion District. They are going to continue to aggressively enforce City ordinances in the area included in the Safer City Initiative (east of Main, north of 7<sup>th</sup> Street). They maintain that the only way to eliminate illegal vending in the LA Fashion District is to prevent merchants from using the sidewalks to display their merchandise.

In a previous meeting with Jimmy Hill, Deputy Fire Chief, the Fire Marshal said that they would continue to oppose any ordinance that would allow outdoor merchandising on the grounds that such practices could impede fast exiting from stores in an emergency.

### **LAPD Central Division Captains Promoted**

Commander Wakefield now heads LAPD Central Division with Captain Michelle Veenstra stepping up to the rank of Patrol Captain. Captain Andy Smith was promoted to the rank of Commander of Central Bureau. Chief Bratton announced the new appointments shortly after the May 1<sup>st</sup> demonstration conflicts and the subsequent departures of Deputy Chief Carter and Deputy Chief Gray.

On June 4, 2007 we met with the newly appointed Central Bureau command staff to discuss issues in the Fashion District and downtown Los Angeles. Central Bureau oversees Central, Newton, Hollenbeck, Rampart divisions and Central Traffic.

### **Move Ups Celebrated**

A special event to recognize the promotions of the LAPD Central commanding staff was held at the Farmers and Merchants Bank on June 28<sup>th</sup>. Downtown BIDs and Neighborhood Councils including the LA Fashion District, Central City East Association BIDs, Downtown Center, Chinatown, Historic Core Neighborhood Council and the Downtown Los Angeles Neighborhood Council partnered to co-sponsor the congratulatory celebration. Councilmembers Perry, Huizar and LaBonge as well as Chief Bratton and PBS TV host Huell Houser attended.

### **City to Consider Plan to Identify Counterfeiting Distribution Locations**

Councilwoman Jan Perry referred a motion for Council to consider conducting inspections of buildings where pirated films and music recordings are distributed in order to lay the groundwork for nuisance abatement actions that will permanently shutter wholesale and retail counterfeiting locations. LAPD, Department of Building and Safety, Planning, and LAFD will provide a status

report within 60 days on all inspections conducted. The motion is being reviewed by the Planning and Land Use Committee

New York City, in partnership with the Motion Picture Association of America and the Recording Industry Association of America, has successfully led such investigations to locate distribution points for pirated films and music recordings throughout the City.

### **Piracy Awareness Week**

The U.S. Chamber of Commerce is hosting a Counterfeiting & Piracy Awareness Week this August in Los Angeles from August 20–24. The week will focus on a number of issues including the affects of counterfeiting & piracy on consumer health, safety, jobs, & enforcement.

The BID is working with the California Fashion Association's Executive Director Ilse Metchek who is organizing events for the day that is dedicated to counterfeiting and the apparel industry. Kent Smith was invited to be a panelist in a roundtable discussion that will address key topics.

### **Proposed 2007 Third Quarter Public Safety Activities**

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.
- Address illegal vending in the district.

### **PUBLIC SPACE MAINTENANCE PROGRAMS**

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

### **Graffiti Removal**

2007 second quarter graffiti removal records show an 8% over 2006 second quarter records.

<u>Graffiti Removal Comparison</u>	<u>2006</u>	<u>2007</u>
April	596	530
May	813	663
June	505	572
Totals	1914	1765

Increasing the number of overnight **Location Checks** may be acting as a deterrent to graffiti tagging in the district.

## **Trash Tonnage**

Second quarter trash tonnage totals taken to the landfills show an 8% over 2006 records.

<u>Trash Tonnage Comparison</u>	<u>2006</u>	<u>2007</u>
April	211	198
May	223	205
June	214	190
<b>Totals</b>	<b>648</b>	<b>593</b>

## **Proposed 2007 Third Quarter Public Maintenance Activities**

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.

## **ADMINISTRATION, IMAGE & COMMUNICATIONS, SPECIAL PROJECTS ACTIVITY**

Annual Budget                      \$752,000                      20% of the Overall Budget

This portion of the annual BID budget includes all Administration, Image & Communications, and Special Projects service programs. The remaining budget is allocated to City Fees, Depreciation, Uncollected Revenue, South Santee Alley Overlay, and a modest BID Renewal Reserve.

## **ADMINISTRATION**

### **Annual Property Owner Meeting**

The BID's Annual Property Owner meeting drew an audience of approximately 75 property owners and city officials on May 31, 2007. Councilmember Jan Perry, District 9; and Commissioner Cynthia Ruiz, President of the Board of Public Works spoke to attendees about the revitalization of downtown, problem issues, and their support of the LA Fashion District.

The LA Fashion District Business Improvement District celebrated its 10 year anniversary with the release of a landmark study of the LA Fashion District – the first study conducted since 1996 that is focused exclusively on the district – to benchmark the incredible changes that have taken place in the district over the last 10 years. The report was presented by project leader Nancy Sidhu, Senior Economist at the Los Angeles Economic Development Corporation (LAEDC), and Dave Wilcox, Senior Vice President at Economics Research Associates (ERA). The study is included here as Attachment 2.

The BID also kicked off its renewal process and campaign with a presentation by renewal consultant Steve Gibson, President of Urban Place Consulting Group.

Every year since 1996 the BID's District Improvement Award Program recognizes property owners' real estate improvements and outstanding contributions by city departments, city officials, vendors, and special projects. This year was no exception. The BID recognized eight property improvements and an Outstanding Contribution award went to Captain Jodi Wakefield, Area Patrol Captain at Central Division for her continued support of the BID. The annual report is included here as Attachment 3.

## **BID Renewal**

BID renewal efforts continue with discussions on proposed program expenses for 2008 and 2009, proposed boundaries, zone boundaries, 2009 line item budget, revised timeline, and proposed BID term.

The BID Renewal Steering Committee expects to make recommendations for approval at the July and August Board of Directors meetings. According to the timeline a final District Management Plan will be presented to the City Clerk in October.

## **ADVOCACY**

### **Fashion Advisory Council**

The LA Fashion District BID is assisting the Mayor's Office in obtaining applications for the Fashion Advisory Council the Mayor announced he was establishing at our March 23, 2007 event. The Council will meet twice a year to advise the Mayor on City policies that can help enhance the fashion industry in Los Angeles. The council will be established by October, 2007.

On July 10, 2007 Kent Smith met representatives of the Mayor's Office to discuss the Mayor's Advisory Committee on the Fashion Industry. We urged the Mayor's Office to prioritize better infrastructure in the LA Fashion District to create a more user friendly environment for commerce. We also suggested the Mayor help support our efforts to brand Los Angeles the creative center for fashion worldwide.

### **Industrial Land Use**

On May 3, 2007 Mark Chatoff & Kent Smith attended the first Downtown Working Group meeting to discuss the industrial land use recommendations. The Planning Department discussed a number of alternatives for amending the industrial zoning.

Council District 9 staff tabled a proposed amendment to the original zoning recommendations. They propose to allow residential all the way to San Pedro Street with the possibility of allowing residential uses east of San Pedro in the Fashion District in the future.

### **Urban Design Regulations**

On April 13, 2007 we met with representatives of LADOT, CRA and Planning to discuss the new urban design regulations for Downtown Los Angeles.

### **Proposed Change of Property Use**

On May 4, 2007 we met with representatives of the Flower Market to discuss future plans for the property. The owners are considering the potential of constructing a mixed use residential/wholesale flower property

### **Illegal Trash Dumping**

On April 25, 2007 we had our second meeting with Council District 9 staff to discuss trash problems in the Toy District & LA Fashion District. The consultants will soon be preparing recommendations to curb illegal dumping east of Main Street.

### **Illegal Tree Trimming**

On June 4, 2007 we submitted a letter to George Gonzalez, Chief Forester to request the investigation of an illegal tree removal on Los Angeles Street between 6<sup>th</sup> Street and 7<sup>th</sup> Street.

According to the Urban Forestry office, no permit had been issued for trimming or removal of the tree. The BID's night vehicle patrol made contact with the tree trimmers who stated that they had been sent to remove the tree. This tree had been trimmed in November 2006 with BID funds.

On June 7, 2007 we attended a meeting of the Community Forest Advisory Committee to testify in support of the enforcement of city ordinances prohibiting the illegal pruning of street trees. The committee discussed the potential of distributing an information/education letter to property owners and merchants. We will be working with Board of Public Works Commissioner Paula Daniels and Ron Lorenzen, Assistant Chief Forester, to develop the letter.

### **City Council Appointment**

In June 2007 Councilmember Jose Huizar appointed Kent Smith to City Council's Business Attraction and Retention Committee. Kent attended his first meeting on June 22, 2007 and will help craft a Mission Statement for the committee.

### **Retail Recruitment Seminar**

On Saturday, June 2, 2007, Kent Smith spoke at a Retail Recruitment seminar sponsored by VEDC about business opportunities in the LA Fashion District. Over 200 people attended the all day session.

### **Meeting with Delegation from Guanajuato Mexico**

On June 15, 2007 we met with the Mayor of Guanajuato, City Officials, and textile industry representatives to discuss how this city and businesses can work to initiate trade in the LA Fashion District. The delegation was introduced to the Fashion District by former CCA employee Victor Franco, Jr., now with the public affairs firm of Ek & Ek.

### **Mayor's Economic Development Policy**

On June 20, 2007 we met with Helmi Hisserich, Deputy Mayor of Housing and Economic Development Policy. She will be playing a lead role in developing economic policy for the Mayor including policies on affordable housing and the retention of industrial zoned land.

### **IDA Spring Conference, Anchorage, Alaska**

On May 10, 2007 Kent Smith delivered a presentation on the problems day laborers create in the LA Fashion District at the IDA Spring Conference in Anchorage, Alaska. He was joined on the panel by the City Manager from Wheaton County, Maryland, a suburb of Washington. BID's from Seattle, New York, & New Orleans, among many others attended the session.

Smith was struck by the similar problems that occur countrywide as a result of this activity. Based on discussions, literature research & my knowledge of the Los Angeles situation, Smith believes that LA is doing all it can do at the local level to resolve the problems (establishment of Day Labor Centers, working with LAPD & the City). Participants agreed it is now up to the Federal Government to satisfactorily resolve this problem at the national level.

Smith also delivered a presentation on single room occupancy units that have traditionally housed very low income residents (often men) who have been formerly homeless. Los Angeles continues to be on the leading edge of providing excellent housing for very low income residents. Two of the best examples are the Dewey Hotel on Main Street & the Yankee on 7<sup>th</sup> & San Julian, both in the LA Fashion District.

While we are adding over 1,300 units to the Fashion District, 130 units are designed for very low income housing & 60% of the 2,600 units that will be in the district by 2009 are affordable.

### **Public Hearing for Madison Hotel & Alex Market 7<sup>th</sup> Street**

On May 22, 2007 a public hearing was held at the Office of Zoning Administration regarding the operation of the Madison Hotel & Alex Market located at 423-425 East 7<sup>th</sup> Street. In 1999, the Zoning Administration initiated nuisance abatement proceedings against the Madison Hotel in response to allegations of narcotic activity, prostitution, loitering, drinking in public, & other alleged nuisance activities caused by the operation of the hotel. On April 30, 2003, the Zoning Administrator, in the second review of compliance with conditions, found the Madison Hotel substantially in compliance with the imposed conditions. Concern exists about alcohol sales at the Alex Market which have led to nuisance problems in the neighborhood. The Zoning Administration will decide whether to continue or increase compliance conditions at the Alex Market.

### **Public Hearing for Proposed Hostess Dance Hall**

On May 29, 2007 we will attend another public hearing to oppose a hostess dance hall use at 1240 S. Main Street. On April 24, 2007 we sent submitted a formal letter of opposition to the Zoning Administrator explaining that the BID is against this type of use in the district.

### **Neighborhood Council Celebrates Five Years**

On May 2, 2007 the Downtown Los Angeles Neighborhood Council (DLANC) celebrated its 5 year anniversary at a special event at the top of City Hall. DLANC was certified April 2002 as the official grassroots neighborhood organization of downtown to bring together the residents, businesses, arts, education, social service providers & workforce organizations. Councilmember Jan Perry, District 9, & Councilmember Jose Huizar, District 14, were among those who attended to honor DLANC's successes & recognize those who have been instrumental in moving the organization forward. Both Lynn Myers & Kent Smith were part of DLANC's founding committee & Myers is currently serving her third term as a DLANC Board Member as business representative for the Fashion District.

### **Proposed 2007 Third Quarter Administration/Advocacy Activities**

- Continue BID Renewal Efforts
- Continue education efforts to eliminate illegal dumping and illegal tree trimming.

## **IMAGE AND COMMUNICATIONS**

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

### **Researching Public Relations Firms**

At their meeting on March 15, 2007, the Image & Communications Committee agreed to explore the potential for hiring a public relations firm to increase district marketing efforts. During the second quarter staff revised the Request for Proposal and started solicitations for PR/Marketing firms to respond to the RFP.

### **New Media Partnerships**

In May, Marketing Director Katherine Schmidt was part of a downtown media tour for writers from the Society of American Travel Writer's Editors Council. As a result of the tour, the Fashion District

was prominently highlighted in a San Jose Mercury News feature story, "Could L.A. Be the Next Great Downtown?" on May 21, 2007.

As a part of the BID's new advertising partnership with travel-oriented, Where Magazine, the BID partnered with Where Magazine in May for a special concierge event held at the Omni Hotel. The Fashion District raffled off a special goody bag worth over \$500 with merchandise from the district, plus gift certificates from Urban Shopping Adventures & Tiara Café.

### **Grand Opening Celebration**

On May 29, the Fashion District will help celebrate the latest parking structure in the district, 636 S. Maple Ave., with Congresswoman Lucille Roybal-Allard, Councilwoman Jan Perry & MJW Investments. The BID presented the Congresswoman and Councilwoman with special plaques of appreciation. As part of the celebration, attendees were invited to a special bus tour of the Fashion District & tour of Santee Village. The new parking structure provides vital parking to visitors, workers & residents of the district.

### **Downtown Fashion Week**

On June 20, 2007 we met with Gary Warfel and Peter Gurnz of BOX Eight who organized the Fashion Week events at the Los Angeles Theatre. We agreed to work together to help return the focus of Fashion Week to downtown Los Angeles.

### **Recent Publicity**

The Fashion District has recently been profiled in several media outlets, including **944 Magazine** ("Downtown Delights: How to Conquer and Survive Bargain Shopping" – June), **San Jose Mercury News** ("Could LA be the Next Great Downtown?" – May 20) and recently the district was featured on the new LA Times-funded entertainment and culture website, **Metromix.com**. In one of the Metromix stories, comedian Margaret Cho discusses shopping in the Fashion District. The article can be accessed at: <http://losangeles.metromix.com/style/article/downtown-dame/95940/content>. (see Attachment 4)

As a result of the economic report released at the end of May, the district has had two feature stories run by the Downtown News and Apparel News:

- "Fashion District Thrives as Economic Engine" – *Apparel News* (Jun. 1)
- "A Fashionable Expansion: Fashion District Finds Itself at a Crossroads, With New Residents, Rising Rents and More Changes" – *Downtown News* (July 2)

### **Second Quarter Media Impression, Website Hit Comparisons and Leveraged Advertising**

<b><u>Media Impressions</u></b>	<b>2006</b>	<b>2007</b>
April	39,841,452	42,797,428
May	38,681,135	31,598,024
June	32,691,338	30,015,306
<b>Totals</b>	<b>111,213,925</b>	<b>104,410,758</b>

<b><u>Website Hits</u></b>	<b>2006</b>	<b>2007</b>
April	2,561,915	2,545,145
May	2,449,450	2,390,888
June	2,222,928	2,199,640
<b>Totals</b>	<b>7,234,293</b>	<b>7,135,673</b>

<b><u>Unique Visitors to Website</u></b>	<b>2006</b>	<b>2007</b>
April	36,151	38,521
May	33,657	27,027
June	29,920	39,245
<b>Totals</b>	<b>99,728</b>	<b>104,793</b>

<b><u>Free Advertising Dollars Leveraged</u></b>	<b>2006</b>	<b>2007</b>
April	\$680,636	\$774,146
May	\$825,836	\$787,154
June	\$510,208	\$591,288
<b>Totals</b>	<b>\$2,017,000</b>	<b>\$2,152,588</b>

#### **Proposed 2007 Third Quarter Image & Communications Activities**

- Continue researching public relations firms.
- Publish newsletter.
- New street banners.

#### **SPECIAL PROJECTS**

##### **Request Approved for Santee Alley Streetscape Project Funding Extension**

On April 25, 2007 the California Transportation Commission approved a 12-month extension on the deadline for funding for the Santee Alley Streetscape Project from June 30, 2008.

In March 2007, we were contacted by the Bureau of Street Services Department of Engineering (DOE) regarding the MTA funding for the Santee Alley Project. The streetscape project has been on-hold because of the ever pending storm drain repair project. We prepared a support letter for the funding extension that explains the need for the storm drain repairs & photographs of the flood. This helped make a strong case for granting the extension.

##### **Proposed 2007 Third Quarter Special Projects Activities**

- Continue to participate in the Streetscape Improvement Projects at 8<sup>th</sup> and San Pedro Streets, 9<sup>th</sup> and Main Streets, and the Santee Alley.



## Attachments

1. Second Quarter Financials
2. Economic Study
3. 2006 Annual Report
4. Recent Publicity

LA Fashion District Business Improvement District

2007 Activity Reports

Third Quarter

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### **I Third Quarter Activities**

#### **Finance**

#### **Public Space Management Activity**

- Public Space Safety Programs
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#### **Administration and Advocacy**

- Administration
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- Image & Communications Programs
- Proposed 2007 Fourth Quarter Activities
- Special Projects Programs

### **II Attachments**

1. Third Quarter Financials
2. BID Renewal Boundary Map
3. Special Event Route Opposition Letter
4. "She's An Alley Girl", LA Times, August 19, 2007
5. "Shopping the Fashion District with Margaret Cho", Metromix Los Angeles

## 2007 OPERATING BUDGET SUMMARY

The third quarter improvement and activity financial results are outlined in **Attachment 1**. The total improvement plan budget for 2007 is projected at \$3.9 million.

## FINANCE

### Cal Trans Assessment Payment Update

Cal Trans attorneys have taken the position that the City cannot assess the State.

### Proposed 2007 Fourth Quarter Finance Activities

- Board approves 2008 budget.
- Continue BID renewal efforts.

## PUBLIC SPACE MANAGEMENT ACTIVITIES

2007 Annual Budget	\$2,631,900	68% of the budget
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This portion of the budget is allocated to all Clean & Safe Program Services.

## PUBLIC SPACE SAFETY PROGRAMS

### Third Quarter Contact Summary

A comparison of 2006 – 2007 statistical records show a 13% increase in overall **Contacts** for the third quarter. Contacts are the number of times that Safe Team Officers responded to an event or incident.

In the **Illegal Vending** category, activity increased 33% during the quarter over 2006 third quarter records. A comparison of 2007 first / second quarter illegal vending activities also shows a continued increase (7%) and then a 35% decrease in a comparison of second / third quarters. Increased efforts by the Los Angeles Police Department and the Bureau of Street Services to control illegally sold goods in the district have made a positive impact. However the data demonstrate that consistent policing must be maintained in order to control Illegal Vending.

In a comparison of 2006 – 2007 third quarter records we see a 29% decrease in the **Disorderly Conduct** category. The Disorderly Conduct category includes Unlawful Lodging, Drinking in Public, Trespassing, Panhandling, and Drug Activity.

**Drug Activity** decreased 77% over last year. **Panhandling** activity is decreased 44%, a significant reduction over activity last year. **Drinking in Public** sees a 10% increase over last year's records,

and **Drunk Person** contacts rose 16% over 2006 activity. **Trespassing** decreased by 3% and **Unlawful Lodging** decreased by 25%.

As a continued precaution against criminal activity, the BID increased **Location Checks for Crime Prevention**. Over 9,484 individual location checks were recorded during the third quarter of 2007. This represents a 20% increase over 2006 second quarter records. It is significant to note that records show a 79% drop in **Robbery**, a 57% decrease in **Theft**, and a 39% decrease in **Vandalism** activity in the district over 2006 third quarter totals.

### **Eponic Data Management System Launched**

On August 10, 2007 the BID began using the Eponic data management system on a district-wide basis and the results are already significant in terms of capturing more activity on the streets and efficient reporting.

The BID handled and tracked 72,000 incidents and collected 2,600 tons of trash in 2006. All incidents were recorded manually which is inefficient. BID also did not have a computerized system that is capable of searching records for types of incidents or patterns of activity.

The Board of Directors approved the purchase of the Eponic system based on the rationale that the system will provide:

- Efficient tracking and management of thousands of reports/incidents/tasks
- Staff accountability
- Accurate monthly reports
- Crime control
- City reports
- Archiving for yearly comparisons (BID renewals)
- Budget development
- Grant applications
- Owner requests for information

We are working with the company to refine various elements of data collection and reporting, and adding new survey screens for construction sites, banner maintenance and more.

### **Santee Alley Sidewalk Obstruction Enforcement Begins**

On July 26, 2007 all property owners and merchants received a letter announcing LAPD plans to begin enforcement of sidewalk obstruction codes. (Attachment A) Notification of code enforcement is required before the enforcement begins. The letter explained the code, when enforcement will start, and citation fees for non-compliance. The BID paid the mailing costs for sending the letters. Enforcement has begun and we have received several complaint calls from owners and merchants.

### **Surveillance Camera Issues**

We have resolved the liability issues for contractors accessing properties to repair and maintain the cameras. The cameras are currently operational and are being monitored by LAPD.

### **Downtown Burglary Ring**

On August 10, 2007 Commander Andy Smith announced that LAPD detectives connected a North Hollywood apartment to a series of Fashion District break-ins going back about two months. They

estimated this ring is responsible for a dozen or more thefts, totaling over half a million dollars in stolen clothing. Several arrests, including the ringleader, have been made.

### **Vandalism and Robberies Prevented by Safe Team Officers**

Suspects in several potential felony incidents were apprehended and turned over to authorities by BID Safe Team members during August and September. Both LAPD Central and Newton Division Captains and Detectives commended the Safe Team officers for their excellent observation and investigation efforts.

### **Utilitarian Lighting Available for Public Streets**

On July 25, 2007 we attended a presentation on outdoor lighting programs available through the Department of Water & Power. Several of our property owners already benefit from the DWP program that provides inexpensive lighting installations for private property. The new, and free, Utilitarian Lighting program was initiated to provide lighting to dark public streets and alleys with installations of cobra style lighting fixtures on DWP wood poles. Several of these lights are already installed in Santee Alley. We are working with DWP to identify areas to install this free street lighting in the Fashion District.

On the evening of September 5, 2007 we conducted the first lighting survey in two blocks and identified more than 20 suitable locations for new light fixture installations. More blocks will be surveyed in the coming months.

### **Anti-Piracy Week**

On August 20 – 23, 2007 the U.S. Chamber of Commerce presented a Los Angeles Counterfeiting and Piracy Awareness Week. The goal of the Chamber is to make Los Angeles a model city on the protection of intellectual property rights that can be emulated by other major cities around the country and the world. The week featured educational and media events throughout the Los Angeles area focusing on the costs and health and safety threats of counterfeiting and piracy. Each day's events addressed a specific topic including the impact of this growing problem on California's small and medium sized businesses and the impact on local industries. One full day was dedicated to the apparel industry. Kent Smith participated in a discussion on the impact of counterfeiting and piracy on the LA fashion industry along with Congresswoman Lucille Roybal-Allard.

The district got a lot of negative publicity surrounding the counterfeits sold at Santee Alley. Coverage was on KABC, KNBC, KCBS, KTLA, NPR Radio, KNX Radio, Business News Network in Canada and numerous national ABC affiliates.

### **Neighborhood Prosecutor & Piracy Meeting**

On August 21 and 22, 2007 we met with members of the Los Angeles City Attorney's office, District Attorney's Office, and County Counsel's Office. The Los Angeles City and County Governments are in the process of developing an Anti-Piracy Task Force similar to the one in New York. Their goal is to formulate legislation to enhance their ability to apply nuisance abatement actions as well as developing an action plan regarding Santee Alley. The New York Task Force is willing to support the development of a Los Angeles Task Force. Its members are global companies that have a significant investment in the LA economy and would serve or have designees serve as representatives on both the City and County Task Force.

### **Chief Carter Retirement**

We attended Deputy Chief Carter's retirement party at the Police Academy on August 20, 2007. We sat with Commander Andy Smith, Captain Jodi Wakefield and newly appointed Central Division

Captain Michelle Veenstra. There were over 400 people in attendance including Assistant Chief Jim McDonald.

### **Proposed 2007 Fourth Quarter Public Safety Activities**

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.
- Continue to address illegal vending issues in the district.

### **PUBLIC SPACE MAINTENANCE PROGRAMS**

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

#### **Graffiti Removal**

2007 third quarter graffiti removal records show a 1% decrease over 2006 second quarter records.

<u>Graffiti Removal Comparison</u>	<u>2006</u>	<u>2007</u>
July	455	417
August	485	435
September	489	559
Totals	1429	1411

Increasing the number of overnight **Location Checks** may be acting as a deterrent to graffiti tagging in the district. We are seeing an increase in tags on upper floors.

#### **Trash Tonnage**

Third quarter trash tonnage totals taken to the landfills show a 14% decrease over 2006 records.

<u>Trash Tonnage Comparison</u>	<u>2006</u>	<u>2007</u>
July	221	182
August	206	180
September	236	205
Totals	663	567

## **SWIRP**

Trash is definitely something we know about so we are attending a series of community outreach meetings sponsored by the Public Works Bureau of Sanitation to help establish goals and objectives for a ZERO WASTE Plan for the City of Los Angeles.

For the first time in the history of solid waste planning within the City, Los Angeles will be developing the Solid Waste Integrated Resources Plan, also known as "SWIRP". This plan will seek input from stakeholders representing a broad section of the community, from diverse cultural backgrounds and income levels, and will result in the development and implementation of a 20 year master plan for the City's solid waste and recycling programs.

The SWIRP will outline the City's objectives to provide sustainability, resource conservation, source reduction, recycling, renewable energy, maximum material recovery, public health and environmental protection for solid waste management planning through 2025; leading Los Angeles towards being a "zero waste" city.

Achieving zero waste will require radical changes in three areas: product creation (manufacturing and packaging), product use (use of sustainable/recyclable products), and product disposal (resource recovery or landfilling). Change in these areas will impact how we live, work and interact with the environment. Stakeholders will be instrumental in guiding this visionary twenty year solid waste management plan.

## **Proposed 2007 Third Quarter Public Maintenance Activities**

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.
- Participate in SWIRP efforts.

## **ADMINISTRATION, IMAGE & COMMUNICATIONS, SPECIAL PROJECTS ACTIVITY**

Annual Budget	\$752,000	20% of the Overall Budget
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This portion of the annual BID budget includes all Administration, Image & Communications, and Special Projects service programs. The remaining budget is allocated to City Fees, Depreciation, Uncollected Revenue, South Santee Alley Overlay, and a modest BID Renewal Reserve.

## **ADMINISTRATION**

### **Board Member Election**

On December 31, 2007 the terms of five of the fifteen members of the Downtown Property Owners Association (DPOA) Board of Directors will end. This is the fifth direct election of Board Members by LA Fashion District property owners.

The Election Committee met on August 1, 2007 to review election timeline and procedures for the 2007 Board of Directors election. According to the timelines from previous years, BID Renewal



Petitions are scheduled to be mailed in November at approximately the same time as Election ballots. The Committee agreed that this may cause disruption to both processes. They considered several options including mailing the petition and election ballots in the same envelope or independently at the same time. The Committee agreed to advance the Election timeline in order to complete the election process before petition ballots are mailed.

As in the previous four years, all property owners within the boundaries of the LA Fashion District Business Improvement District (BID) received an invitation to become a candidate. Invitation letters and instructions for the nomination procedure were mailed to all property owners on August 3, 2007 inviting them to declare their interest in becoming a candidate. Nominations closed on August 31, 2007 and five candidates will seek election for the five available seats. Voting ballots were mailed on September 27 and the campaign ends on November 1. Election results will be publicly announced at the Board of Directors on December 10, 2007.

### **BID Renewal**

The term of the current BID will end on December 31, 2008. The BID Renewal Steering Committee was formed in January 2007 to review data and prepare recommendations for the elements of a new district management plan for approval by the Board of Directors at their September 2007 meeting.

The BID Renewal Steering Committee was comprised of Members of the Board of Directors, property owners within the current boundaries, property owners in proposed expansion areas, and advisors. The renewal process must be completed by August 1, 2008 in order to submit the assessment roll to the County by their deadline. The Committee met seven times from February 22, 2007 to August 28, 2007.

In order to prepare a new District Management Plan for the next BID term the Steering Committee reviewed the following issues:

1. Lower the budget or increase assessments.

Currently the BID is operating partially on a past surplus (16% of Budget) which is providing higher services than the annual assessment revenue would support. These higher services have become expected by property owners and tenants.

1. Benefit Zones.

The current BID has 7 benefit zones however property uses have changed. The Committee examined BID trash tonnage and Safe Team contacts to determine which blocks received the most services.

3. Assessments.

The draft assessment formula proposes to include all front footage of each property. The current BID only assesses the front footage of the street address of a property. Assessments will have to be rebalanced to reflect this change.

4. Term of BID.

State law allows renewing BIDs to renew for up to 10 years, however long range budget forecasting becomes more difficult.

5. Boundaries and expansion.

The committee was asked to look at expansion areas to the west and north that would cover gaps between the existing BIDs in downtown. Also, to look at expansion to the east to follow the natural expansion of fashion related businesses.

6. Outreach

From March 2007 to August 2007 community outreach meetings and individual meetings with major property owners were held to determine their interest in being included in the LA Fashion District BID.

**The following recommendations were presented to the Board of Directors at the September 26, 2007 meeting and were unanimously approved:**

1. Budget

The Board of Directors unanimously approved a \$4,500,000 plus budget starting January 2009.

2. Benefit Zones

The Board of Directors unanimously approved revised Benefit Zones that reflect the changed needs and development patterns within the district. The City Market and the Flower Market will continue to be individual benefit zones and the California Market Center will become a separate benefit zone.

3. Assessments

The Board of Directors unanimously approved of the amended Assessment Methodology that includes all front footage, and revised Benefit Zones as part of the 2009-2013 BID Renewal plan. This assessment methodology reflects the needs of each area and the benefits received and more closely matches the benefits received with the assessments paid.

4. Term of BID

The Board of Directors unanimously approved a five year term for the 2009-2013 BID Renewal plan.

5. Boundaries and Expansion

The Board of Directors unanimously approved the boundaries shown on the map in **Attachment 2**.

6. Assessment Increases

The Board of Directors unanimously approved up to a 4% maximum increase to the annual assessment rates for each year of the new BID to be determined by the Board and not tied to the CPI. The Santee Alley overlay assessment can be increased up to a maximum of 8% annually to be determined by the Board of Directors of the Santee Alley Association.

7. Governance

The Board of Directors unanimously approved including expansion area property owners in the 2008 Board of Directors Election. The Committee also recommends submitting to the City a governance structure that defines and preserves the current relationship between the DPOA and the South Alley Association.

Based on these directives BID Consultant Steve Gibson will prepare the District Management Plan for submission to the City Clerk for approval. According to the timeline petitions will be mailed to property owners by November 2007.

## **ADVOCACY**

### **Uniform Parking Signage Federal Funding Application**

On July 23, 2007 we were contacted by the Washington DC office of Congresswoman Lucille Roybal-Allard to provide support documentation to defend the allocation of federal funding for a Fashion District uniform parking signage program. There was an amendment on the floor to strike funding for the project. On July 26, 2007 we learned that the amendment had been retracted and the House passed the bill containing this appropriation request. The next hurdle is Senate approval. We are grateful to the Congresswoman and her fine staff for their continued support of the Fashion District.

### **Mayor's Fashion Advisory Committee**

On July 10, 2007 Kent Smith met representatives of the Mayor's Office to discuss the Mayor's Advisory Committee on the Fashion Industry. We urged the Mayor's Office to prioritize better infrastructure in the LA Fashion District to create a more user friendly environment for commerce. We also suggested the Mayor help support our efforts to brand Los Angeles the creative center for fashion worldwide.

### **Mayor's 25 year Strategic Plan**

On August 16, 2007 we met with Greg Spott who is working with Robin Kramer, Chief of Staff for the Mayor. We shared our vision for The LA Fashion District and our priorities for the role the City can play to continue the renaissance in the district.

### **Council District 14 Presentation**

We appeared as part of a panel to discuss "Economic Development, Encouraging Small Business". The panel discussion took place the evening of September 19, 2007. We shared the panel with Jack Keyser from LAEDC and James Rodriguez from CB Richard Ellis.

### **Thank You from the BOYZ II MEN Organization**

This spring we worked with Councilwoman Perry to help her find 95 blazer sport coats and ties for this group of young men to wear at their graduation and other special events. BOYZ II MEN is a non-profit after school program at John Muir Junior High School located in District 9 that works with at risk boys who are highly disadvantaged. We were able to locate the clothing in the correct sizes and raised \$2,100 from individual contributors for this worthwhile program. Councilwoman Perry and the young men publicly thanked the LA Fashion District Board of Directors at the Council Meeting on Friday, August 17, 2007. Everyone in Chambers was very impressed with this fine group of young men and the LA Fashion District BID is very proud to have been able to help them.

### **Special Event Route Opposition Letter**

On September 8, 2007 we sent a letter to Councilmember Jose Huizar requesting that alternate routes north of 5<sup>th</sup> Street be considered for Special Events that require street closures and reduce access to the Fashion District. We recommend shifting Saturday demonstration marches to the north part of the city. Street closures present a hardship to merchants and buyers in the district. Many of the Special Events marches and parades in downtown Los Angeles require that several streets be closed all day for an event. Two separate demonstrations during August required all-day street closures on Main Street and Los Angeles Street, from 9<sup>th</sup> Street to Temple; no parking signs and barricades for all streets; and public transportation re-routing.

The lack of advance notification is also compounding the negative effect of the demonstrations on downtown business. For example the Immigration March on Saturday, August 25, 2007 was not listed on the LAPD Special Event Permit calendar and the LA Fashion District did not receive advance notification from the City of Los Angeles or on the city website that would allow us to prepare for the disruption. We recently learned that merchants on Broadway requested that demonstrations be rerouted to Main Street and Los Angeles Street because of the negative impact on their businesses. This may also account for the increased street closures in the Fashion District. A copy of the letter is attached as Attachment 3.

### **LA Marathon Route**

On August 13, 2007 we met with organizers of the Los Angeles Marathon to discuss routing alternatives downtown scheduled for Sunday March 9, 2007. Routes are limited because of the light rail line on Flower limiting access south of 12<sup>th</sup> Street and the need to cross the Sixth Street bridge

from east to west near the end of the race. We discussed the possibility of moving the eastbound route north from 11<sup>th</sup> street to Olympic east of Main Street to alleviate the pedestrian conflicts at Santee Alley. The route would move to 9<sup>th</sup> at San Julian Street. The return route is proposed to be 7<sup>th</sup> street from the 6<sup>th</sup> street bridge. DOT will have to approve the final routing.

### **Downtown Filming**

We were asked to comment on the City's request for information for developing comprehensive Neighborhood Filming Guidelines. Although the guidelines are focused on the new residential neighborhoods we asked to see an item included that addresses sensitivity to downtown merchants. We've received numerous complaint calls about no parking zone postings for rows of parking spaces that are never used by filming crews, and blocked parking spaces during busy Saturday and holiday shopping days. We will monitor progress on the guidelines.

### **Full-Service Adult Entertainment Venue Proposed for 833 S Spring Street**

We've learned that applications for permits to open a full service adult entertainment business have been filed for the property located at 833 S Spring Street. This location, formerly known as the Fenton Building, is located between two parking lots, and immediately east of the Orpheum Theatre and Orpheum Lofts.

### **Fashion District is Focus of Two Graduate Student Research Projects**

The Community Redevelopment Agency/LA is host organization for 15 graduate students from the *University of Notre Dame School of Architecture*. CRA chose the Fashion District as the central project site for the student's research projects. We met with the students on September 6, 2007 to talk about the district and help develop a focus for their work that will fulfill their study requirements and benefit the Fashion District. The architecture students will apply the new downtown design guidelines to four sites in the Fashion District and also propose zone variances for merging a transit-oriented area with a mixed use district. The studies will be available in December 2007.

Another group of graduate students is concentrating their studies in economic development in the Fashion District. The *University of Southern California's School of Planning* students are developing recommendations for making the district more buyer-friendly.

### **International Downtown Association (IDA) Annual Conference**

We attended the first "World Congress" in New York in mid September 2007. Delegates came from around the world to attend the conference. Board Chairman John Van den Akker joined us for the conference. Many of the sessions were highly relevant to the work we are doing in the BID. Kent Smith was one of three executive directors that had been selected to meet with the Minister of Housing for the State of Israel. He was also reelected to the position of IDA Treasurer for the 2008 year.

### **Proposed 2007 Fourth Quarter Administration/Advocacy Activities**

- Continue BID Renewal Efforts
- Monitor recent proliferation of permit requests for Hostess Dance Halls in the district.

## **IMAGE AND COMMUNICATIONS**

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

### **LA TIMES: Image Article**

On August 19, 2007 the LA Times ran a feature story about the LA Fashion District in the new Image section. The feature story was about budget shopping at Santee Alley with MTV reality star, Lauren Conrad from the show, "The Hills", is MTV's highest rated show, with over 3.7 million viewers. **See Attachment 4.**

### **Fashion Group International (FGI)**

On September 8, 2007 BID Executive Director Kent Smith conducted a bus tour of the Fashion District for Fashion Group International's "Grand Historic Tour of Fashionable Los Angeles." The tour started at the Cooper Design Space where Steve Hirsh did a presentation on the history of his building. The program also included a tour of Wilshire Boulevard, led by Eric Lynxwiler, co-author of "Wilshire Boulevard: Grand Concourse of Los Angeles." FGI is a global, non-profit, professional organization in the fashion industry whose mission is to be the pre-eminent authority on the business of fashion and design.

### **Recent Publicity**

The Fashion District has recently been profiled in several media outlets, including **944 Magazine** ("Downtown Delights: How to Conquer and Survive Bargain Shopping" – June), **San Jose Mercury News** ("Could LA be the Next Great Downtown?" – May 20) and recently the district was featured on the new LA Times-funded entertainment and culture website, **Metromix.com**. In one of the Metromix stories, comedian Margaret Cho discusses shopping in the Fashion District. **The article is included here as Attachment 5.**

<b>Third Quarter Media Impression, Website Hit Comparisons and Leveraged Advertising</b>
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<b><u>Media Impressions</u></b>	<b>2006</b> 129,971,171	<b>2007</b> 123,809,856
<b><u>Website Hits</u></b>	<b>2006</b> 7,139,050	<b>2007</b> 7,139,093
<b><u>Unique Visitors to Website</u></b>	<b>2006</b> 100,910	<b>2007</b> 119,313
<b><u>Free Advertising Dollars Leveraged</u></b>	<b>2006</b> \$2,331,701	<b>2007</b> \$1,851,662

## **Proposed 2007 Fourth Quarter Image & Communications Activities**

- Publish newsletter.
- Prepare for upcoming special events.

## **SPECIAL PROJECTS**

### **MTA Awards \$1.5 million to LA Fashion District Phase II Streetscape Project**

We are pleased to announce that the LA Fashion District BID was awarded \$1.5 million for Phase II of a district Streetscape Improvement Project. This funding will allow us to create pedestrian environment improvements east along 7<sup>th</sup> Street, south on Los Angeles Street and east on Olympic Blvd to link up with the already approved \$1.6 million Streetscape Phase I project that will surround Santee Alley.

Although competition for these funds was intense we hoped that the well-documented package we prepared (a special thanks to MJW Investments for their hard work in helping us assemble the package) and the already funded Santee Alley Phase I Streetscape project would make the difference. It did.

On September 27, 2007 the Los Angeles County Metropolitan Transit Authority (MTA) Board of Directors approved \$455 million for 169 LA County transportation projects. The MTA Call for Projects is part of a category of transportation programs administered by the State of California that considers the overall environmental context and community setting. Federal funds are allocated through the state MTA agency to projects that enhance mobility or encourage quality of life in or around transportation facilities. The Metro Gold Line, the Chinatown Metro Station, and the Rapid Bus System are only a few of the major projects in Los Angeles that were funded by MTA.

We wish to recognize and thank our incredible partners at Council Districts 9 and 14, and the Bureau of Street Services Bureau of Engineering for working diligently on our behalf to create a second successful application. This much anticipated grant award is now a reality because of their fine work.

These projects have huge lead times. We submitted the application in January 2007. Funding will begin in 2009/10 for design with the project construction scheduled for completion by 2013.

### **8<sup>th</sup> Street Median Project Update**

The Mosaic Garden median improvement was revised to address the streetscape project in two phases. We are now working with the City of Los Angeles Office of Community Beautification to obtain an R Permit in order to complete Phase 1 of the project which includes removal of the broken concrete and installation of a new concrete/river rock groundcover within the current median curbing. A Dig Alert was posted and on Wednesday, September 12, 2007 the three ficus tree stumps were removed.

**9<sup>th</sup> & Main Median Project Update**

Plan review and signed off was completed by all departments. The project is now out on bid to contractors for cost estimates. The construction will start after selection of the contractor.

**Maple/11<sup>th</sup>/12<sup>th</sup> Storm Drain Update**

Although we were promised that construction would begin at the end of summer, we are still waiting for a ground breaking. The slow pace of this project is holding up progress on the also long awaited Fashion District Phase I Santee Alley Streetscape project.

**Proposed 2007 Fourth Quarter Special Projects Activities**

- Continue to participate in the Streetscape Improvement Projects at 8<sup>th</sup> and San Pedro Streets, 9<sup>th</sup> and Main Streets, and the Santee Alley.

## Attachments

1. Third Quarter Financials
2. BID Renewal Boundary Map
3. Special Event Route Opposition Letter
4. "She's An Alley Girl", LA Times, August 19, 2007
5. "Shopping the Fashion District with Margaret Cho", Metromix Los Angeles



LA Fashion District Business Improvement District

2007 Activity Reports

Fourth Quarter

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### **I Fourth Quarter Activities**

#### **Finance**

#### **Public Space Management Activity**

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- Proposed 2008 First Quarter Activities
- Public Space Maintenance Programs
- Proposed 2008 First Quarter Activities

#### **Administration and Advocacy**

- Administration
- Advocacy Programs
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#### **Image, Communications and Special Projects**

- Image & Communications Programs
- Proposed 2008 First Quarter Activities
- Special Projects Programs

### **II Attachments**

1. Fourth Quarter Financials

## **2007 OPERATING BUDGET SUMMARY**

The fourth quarter improvement and activity financial results are outlined in **Attachment 1**. The total improvement plan budget for 2007 is projected at \$3.9 million.

## **FINANCE**

### **2008 Budget Approved**

The 2008 Budget was approved by the Board of Directors at the November meeting. The 2008 expense budget increased by 4% compared to the 2007 budget. Most of the increase comes from contract labor cost increases for providing maintenance and safety. I&C increased by 8.3% mostly due to the \$60,000 budget approved for using a Public Relations firm.

2008 assessment revenue will increase 3% per a previously approved Board motion. It was noted that 16% of the total 2008 revenue budget comes from the allocation of prior years' surplus funds.

### **Appointment of the 2007 Auditor**

The Finance Committee recommended retaining Stanislawski and Harrison to conduct the 2007 audit and financial statement based on positive performance over the last four years. The Board of Directors approved this recommendation at the November 15, 2007 meeting.

### **Proposed 2008 First Quarter Finance Activities**

- Continue BID renewal efforts.
- Prepare for annual audit.

## **PUBLIC SPACE MANAGEMENT ACTIVITIES**

2007 Annual Budget	\$2,631,900	68% of the budget
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This portion of the budget is allocated to all Clean & Safe Program Services.

## **PUBLIC SPACE SAFETY PROGRAMS**

### **Fourth Quarter Contact Summary**

A comparison of 2006 – 2007 statistical records show a 26% increase in overall **Contacts** for the fourth quarter. Contacts are the number of times that Safe Team Officers responded to an event or incident.

In a comparison of 2006 – 2007 fourth quarter records we see a 27% decrease in the **Disorderly Conduct** category. The Disorderly Conduct category includes Unlawful Lodging, Drinking in Public, Trespassing, Panhandling, and Drug Activity.

**Drug Activity** decreased 34% over last year. **Panhandling** activity is slightly decreased over last year. **Drinking in Public** saw a 45% decrease over last year's record. **Trespassing** decreased by 36% and **Unlawful Lodging** increased by 3%.

As a continued precaution against criminal activity, the BID increased **Location Checks for Crime Prevention** with over 12,956 individual location checks recorded during the fourth quarter of 2007. This represents a 38% increase over 2006 fourth quarter records. It is significant to note that records show a 63% drop in **Robbery**, and an 82% increase in **Vandalism** activity in the district over 2006 fourth quarter totals.

In the **Illegal Vending** category, overall activity increased 3% during the quarter over 2006 fourth quarter records. **Illegal Vending of Food** decreased 46% however **Illegal Vending of Merchandise, Animals, and Other Items** increased 88%. These records illustrate the need to continue the efforts to control illegally sold goods.

### **Councilman Huizar Announces \$75,000 Reward for Murder of Fashion District Merchant Mr. Ebrahim Torbati**

A special Town Hall meeting was convened to discuss the attempted robbery and subsequent murder of Mr. Ebrahim Torbati, a merchant on Santee Street, on October 23, 2007. Representatives from the Los Angeles Police Department (LAPD) reported that this is the first murder resulting from a robbery in the Fashion District since 1999. Their goal is to solve the crime and prevent future incidents. There are no major leads, no physical evidence, and no similar crime patterns in the city that could help lead to an arrest. Immediately after the initial investigation a composite sketch of the suspect was developed and distributed throughout the neighborhood. Council District 14 introduced a motion at council to obtain a \$75,000 reward that they hope will encourage the public to come forward with information on the suspect. The story will also run on Channel 11 News, Channel 2's "LA's Most Wanted", and on the December episode of "America's Most Wanted". LAPD will also be training BID Safe Team members on how to conduct security assessments to educate merchants on safety measures.

At a press conference on November 20, 2007, Councilman Huizar announced a \$75,000 reward for information leading to the identification, apprehension and conviction of the suspect(s) responsible for the death of Mr. Torbati. The flyer is included here as Attachment 1.

### **Counterfeit Merchandise Sweep Shuts Santee Alley**

On Thursday, November 29, 2007, 130 LAPD and County Sheriff officers conducted a major counterfeit merchandise sweep in the Santee Alley and closed a portion of 11<sup>th</sup> Street to traffic. Over 50,000 items were seized (more than half CD's & DVD's) and approximately 25 merchants were arrested and booked on site.

At a press conference on Friday, November 30, 2007 attended by major media sources, City Attorney Delgadillo reported that the sweep was conducted in part to break up gang entrenchment in the area. Gangs are known to be collecting "protection" money from merchants who are reluctant to report this activity to officials fearing reprisal from gang members. (See attached article) Merchants in the district were overwhelmed by the 130 LAPD and Sheriffs Department officers who took part in the sweep. 11<sup>th</sup> Street between Maple and Santee was closed to traffic and yellow tape prevented easy access to Santee Alley.

Several Fashion District property owners and BID staff met with Councilwoman Jan Perry, District 9, and Captain Wakefield, Central Division, to express their concerns about the disruption to the business of innocent merchants in and around Santee Alley. Subsequent to the raid on November

29, 2007 Council District 9 set up a walk through of the Alley for city departments and media representatives to view the results of the raid.

### **Safer City Initiative**

Enforcement was recently expanded to include 7<sup>th</sup> to 9<sup>th</sup> Streets between Main and Central Avenue. Following the second week of enforcement (11/20/07) there were no Part I Crimes reported in the SCI area. Clearly these efforts are making a real impact on reducing crime in downtown.

### **Mayor's Holiday Traffic Plan**

In a press release Mayor Villaraigosa announced deployment of the Holiday Shopping Traffic Relief Brigade as part of the effort to improve traffic flow, alleviate gridlock and enhance safety during the holiday season. The Brigade is comprised of a special 70-member team of traffic control officers tasked with relieving and controlling traffic congestion at and around 43 of the City's busiest intersections, malls and shopping centers. The deployment started November 17, 2007 and ends December 24<sup>th</sup> from the hours of 10:00 a.m. to 7:00 p.m.

Seven of the deployment locations are in the LA Fashion District. The BID also worked with LADOT to identify locations for temporary parking restriction signage that will eliminate parking on heavily trafficked streets during peak hours.

### **New SLO for the Fashion District**

Senior Lead Officer Terry Martinez was assigned to cover the Central Division portions of the LA Fashion District. SLO Martinez is working with SLO Randy McCain to gain an understanding of district issues.

### **Proposed 2008 First Quarter Public Safety Activities**

- Continue education information for property owners on their responsibilities for discouraging illegal activities by tenants on their premises, and to comply with clean sidewalk codes.
- Continue to act as liaison to direct homeless populations to service organizations.
- Address illegal vending in the district.

## **PUBLIC SPACE MAINTENANCE PROGRAMS**

The Fashion District BID maintenance programs deal with improving the public environment by providing graffiti removal, sidewalk and alley cleaning, street trash removal, tree trimming, weeding and poster removal.

### **Graffiti Removal**

2007 fourth quarter graffiti removal records show an 5% increase over 2006 fourth quarter records.

<u>Graffiti Removal Comparison</u>	<u>2006</u>	<u>2007</u>
October	466	514
November	425	412
December	371	395
<b>Totals</b>	<b>1262</b>	<b>1321</b>

Increasing the number of overnight **Location Checks** may be acting as a deterrent to graffiti tagging in the district.

### **Trash Tonnage**

Fourth quarter trash tonnage totals taken to the landfills show an 9% decrease over 2006 records.

<u>Trash Tonnage Comparison</u>	<u>2006</u>	<u>2007</u>
October	229	200
November	239	216
December	239	225
<b>Totals</b>	<b>707</b>	<b>641</b>

### **Recycling**

“Greening” the Fashion District efforts continue. In November, BID representatives met with recyclers to discuss plastic, paper and cardboard emanating from the LA Fashion District that is being haphazardly disposed of in downtown Los Angeles. They met again on December 11 with a representative from Georgia Pacific – a major recycler in the region -- to discuss short and long term recycling strategies.

Georgia Pacific reps agreed that bringing the City, BIDs and recyclers together will mitigate a great deal of our trash problems by systematically educating the merchants (through the BIDs) and having areas located in Downtown where plastic and cardboard can be bailed and disposed of on a daily basis.

### **Dump Fee Increase**

Effective January 1, 2008, the Vernon dump will be raising its rate by \$3.21/ton to \$44.98/ton (7.68% increase).

### **Proposed 2008 Fourth Quarter Public Maintenance Activities**

- Continue to work to educate property owners and merchants about appropriate trash collection procedures.

## **ADMINISTRATION, IMAGE & COMMUNICATIONS, SPECIAL PROJECTS ACTIVITY**

Annual Budget                      \$752,000                      20% of the Overall Budget

This portion of the annual BID budget includes all Administration, Image & Communications, and Special Projects service programs. The remaining budget is allocated to City Fees, Depreciation, Uncollected Revenue, South Santee Alley Overlay, and a modest BID Renewal Reserve.

### **ADMINISTRATION**

#### **Board Election**

On December 31, 2007 the terms of five of the fifteen members of the Downtown Property Owners Association (DPOA) Board of Directors ended. As in the previous four years, all property owners within the boundaries of the LA Fashion District Business Improvement District (BID) received an invitation to become a candidate. Typically election ballots are sent to property owners in November. However, because this is a BID renewal year and BID petition ballots were scheduled for mailing in November, the Board agreed to push the election process ahead several months to avoid ballots and petitions being mailed at the same time.

Invitation letters and instructions for the nomination procedure were mailed to all property owners in August 2007 inviting them to declare their interest in becoming a candidate; nominations closed in September. Five candidates indicated interest in running for the five available seats with four of the five outgoing Board Members seeking re-election for another term. Voting ballots were mailed to all property owners in October and the election campaign ended in November. The election results were publicly announced at the Board of Directors on December 13, 2007. The newly elected Members will serve three year terms.

- Ethan Eller
- Steve Hirsh
- Elisa Mermelstein Keller
- Laurie Sale
- Mark Weinstein

This is the fourth direct election of Board Members by property owners. This direct election procedure is unique among BIDs as many BID Boards appoint new members.

### **ADVOCACY**

#### **Meeting with Mayor Villaraigosa**

Mayor Villaraigosa invited a delegation of representatives to his office for a meeting on Thursday, November 1, 2007 to discuss issues that are challenging the growth of the Fashion District. The invitation came as a result of an unexpected visit by the Mayor and his daughter to the Fashion Week wholesale markets on Saturday, October 27, 2007. *California Apparel News* reporters were there and wrote a great article about the event which is attached.

#### **Request for Revised Demonstration Route**

For the last three years large protest demonstration events have coincided with important Fashion Market Week dates. By chance or plan the demonstration coordinators have been getting extra exposure for their causes from the thousands of buyers who travel to Market Weeks in the Fashion District. However, the favored demonstration route (Broadway/Olympic to City Hall) also closes off access to the Fashion District. On October 12, 2007 we sent a letter signed by several property

owners to Mayor Villaraigosa and the Police Commission to request future consideration of alternate routes and a 2008 Market Week calendar. At a meeting with the Mayor on November 1<sup>st</sup> he said he would immediately address the issue. On November 15, 2007 we attended another meeting at the Mayor's office with merchants and owners from Los Angeles Street and Broadway where they registered their opposition to the ongoing protests that have plagued downtown. City officials and departments attended the meeting where a number of facts came to light:

1. There are 2000 events in the City Of Los Angeles annually that require street closures. 200 of these are "First Amendment" events (protests). The number of protests downtown has doubled over the last couple of years. This is directly related to the "political turmoil" in the country
2. The City of LA had stringent requirements for the location and timing of protests. These were struck down by the courts during the Democratic Party Convention in 2000. The City now has very little say as to when and where the protests can occur. For example the Writer's Union held a protest in Century City last week and totally ignored the permit process and there will be no consequences.
3. The City had a substantial permit fee for protests but this has been waived because so many other special events had their permit fees waived. The City Attorney viewed the fee discriminatory for "First Amendment" events.

The Mayor's Office has agreed to facilitate a meeting with the protest organizers, the Police Commissioner in charge of First Amendment events and the downtown BIDS to see if we can minimize the disruption to businesses in downtown. We have had success working with the LA Marathon in changing their dates and route through downtown LA.

### **Fashion Advisory Council**

The LA Fashion District BID is assisting the Mayor's Office in obtaining applications for the Fashion Advisory Council the Mayor announced he was establishing at our March 23, 2007 event. The Council will meet twice a year to advise the Mayor on City policies that can help enhance the fashion industry in Los Angeles. The council will be established by October, 2007.

On July 10, 2007 Kent Smith met representatives of the Mayor's Office to discuss the Mayor's Advisory Committee on the Fashion Industry. We urged the Mayor's Office to prioritize better infrastructure in the LA Fashion District to create a more user friendly environment for commerce. We also suggested the Mayor help support our efforts to brand Los Angeles the creative center for fashion worldwide.

### **BRAT**

On December 19, 2007 City Council honored the Business Retention & Attraction Task Force (BRAT) for its commitment to economic development in Los Angeles. BID Executive Director Kent served on the Task Force which included members of the private sector business community. The Task Force met for almost one year to compile comprehensive, pro-business recommendations for Council consideration. The recommendations, which address issues such as development, business tax, goods movement, and the City's shrinking middle class, will be heard in the new Jobs, Business Growth & Tax Reform Committee in January.

### **Council Reaches Agreement on Skid Row Lawsuit**

City Council approved a settlement with the ACLU detailing the City's enforcement of a law prohibiting people from sitting, sleeping, or lying on public sidewalks. The settlement ends a year-long effort to reach a compromise on enforcement of the law after the 9th Circuit Court of Appeals ruled that it violates the 8th Amendment.



The settlement agreement will allow people to sleep on sidewalks anywhere in the City between 9 p.m. and 6 a.m., until the City has built 1,250 units of supportive housing. Blocking access to doorways, driveways, or right-of-ways will continue to be prohibited. It is our understanding that the agreement asks the 9th Circuit to vacate their prior decision. If the decision is not vacated, the settlement agreement will be void.

The new settlement agreement, which requires that 50% of the required supportive housing units be built in Skid Row, will leave Downtown to deal with the brunt of the homelessness crisis. The settlement agreement was reached without input from Downtown stakeholders and is objectionable, allowing people to sleep on Los Angeles' streets. The Fashion District and Central City Association support Councilwoman Perry's efforts to pursue an anti-encampment ordinance that will withstand legal challenges, and urges a motion to come forward as soon as practicable.

### **Hostess Dance Halls and the LA Fashion District**

Recently we are seeing a resurgence of interest in establishing this type of venue in the LA Fashion District in recent applications for Conditional Use Permits. Three clubs have been proposed in the LA Fashion District.

In 1999, the Board of Directors and over 70 property owners opposed establishment of a hostess dance hall in a building under the 10 Freeway. The basic reasons for opposing this type of club have not changed. According to LAPD records the clubs attract nuisance behavior including public drinking, prostitution, drug activity, and property crimes. Monitoring and preventing such nuisance behaviors from negatively impacting the neighborhood will present a burden on the BID both financial and in service delivery to the rest of the district. The LA Downtown News published a story in the subject which is included in this report as Attachment 2.

### **Metro Regional Connector Transit Corridor Study**

On November 6, 2007 we attended a public hearing to discuss the MTA Regional Connector Transit Corridor Study Meeting to provide comments on the various transit modes, alignments and station location options for connecting the Metro Gold Line, Metro Blue Line and Expo Line within two square miles of downtown Los Angeles. The proposed area does not include the Fashion District and we testified in favor of including the district in the study.

### **Downtown DASH Study Report Completed**

The year long study was completed and a report published in October. Based on rider numbers LADOT decided to continue the new E Route along Los Angeles Street to Pico Blvd. Copies of the report are available on request.

### **"Hail A Taxi" Initiative**

On December 12, 2007 the BID submitted a letter of support to Mayor Villaraigosa requesting consideration of "Hail-A-Taxi (H.A.T.)", a citizen sponsored initiative to allow taxi cabs to temporarily stop at red curbed no parking lanes in order to pick up fares.

This transportation policy has been successfully implemented and conducted in many major metropolitan areas including New York City. The LA Fashion District is a landmark destination in Los Angeles for over 50,000 apparel buyers who attend five wholesale markets in the district annually. An estimated \$5.7 billion in annual business revenues are tied directly or indirectly to the economic activity taking place in the district.

Many of these wholesale apparel buyers travel to Los Angeles from metropolitan areas from around the world. Fashion market attendees spend approximately \$50 million at Los Angeles area hotels,

restaurants, and transportation. Providing easy and familiar methods of transportation for these buyers will not only help to build the economy and cachet of the LA Fashion District and the Southern California apparel industry, but also the economy of Los Angeles.

### **Proposed 2008 First Quarter Administration/Advocacy Activities**

- Continue BID Renewal Efforts

### **IMAGE AND COMMUNICATIONS**

The LA Fashion District BID Image & Communications programs are developed to create a positive image for the District based on the positive changes that take place. Programs are designed to attract new investors and customers to the District as well as attract City investment to the District.

#### **LA Fashion District Farmers Market**

On October 3, 2007 we helped sponsor the launch of the LA Fashion District Farmers Market at Santee Village. The market will operate weekly from 4pm – 7pm on Wednesdays. Councilwoman Jan Perry spoke at the opening.

#### **2007 Holiday Tours and Seminars**

The LA Fashion District BID partnered with Urban Shopping Adventures to create the “Find Your Fit” tour series. The tours focused on niche shopping segments in the Fashion District such as bridal, floral, textile, crafts, men’s wear, prom, etc.

Each tour was unique and included a seminar/educational component with a guest expert, plus shopping on an Urban Shopping Adventures led tour. The “Find Your Fit” tours kicked-off the holidays, beginning Saturday, November 17<sup>th</sup> through December 15<sup>th</sup>. Holiday tours included home decoration, gift giving, gift wrapping, sample sales and more. People registered for the tours at the Fashion District’s website, **[fashiondistrict.org](http://fashiondistrict.org)**.

A portion of the tour proceeds benefits Para Los Ninos, a downtown organization dedicated to youth education and development programs. A copy of the flyer is included as Attachment 3.

#### **Women’s Wear Daily Job Fair**

On October 19, 2007 we had a display booth at the job fair for the fashion industry at the California Market Center. Kent Smith participated on a panel to discuss job prospects in the industry. Councilwoman Jan Perry also spoke at this event.

#### **Other Press**

On November 28<sup>th</sup>, the Fashion District was given kudos from Tom Gilmore on Huell Howser’s series, *Downtown*. For their November/December issue, *Via Magazine*, a AAA-produced travel magazine did a story about shopping culture, “Cash and Carry,” highlighting Urban Shopping Adventures and the Fashion District, specifically, Santee Alley. The full story can be viewed at: [http://www.viamagazine.com/top\\_stories/articles/cash\\_carry07.asp](http://www.viamagazine.com/top_stories/articles/cash_carry07.asp)

<p><b>Fourth Quarter Media Impression, Website Hit Comparisons and Leveraged Advertising</b></p>
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<b><u>Media Impressions</u></b>	<b>2006</b>	<b>2007</b>
Fourth Quarter Totals	111,569,955	118,543,909
<b><u>Website Hits</u></b>	<b>2006</b>	<b>2007</b>
Fourth Quarter Totals	6,894,912	6,787,832
<b><u>Unique Visitors to Website</u></b>	<b>2006</b>	<b>2007</b>
Fourth Quarter Totals	98,251	92,231
<b><u>Free Advertising Dollars Leveraged</u></b>	<b>2006</b>	<b>2007</b>
Fourth Quarter Totals	\$1,996,798	\$2,004,518

**Proposed 2008 First Quarter Image & Communications Activities**

- Create new street banners.
- Continue BID renewal efforts.

**SPECIAL PROJECTS**

**8<sup>th</sup> Street Median Project Update**

We are very pleased to announce the completion of the Phase 1 Streetscape Project in the median located at 8<sup>th</sup> Street & San Pedro Street located in the LA Fashion District. The project took several

years to develop however once the plans and permits were in place it took only two days to actually complete the work.

This is the first streetscape improvement project in the LA Fashion District. It was made possible through a grant award from the Office of Community Beautification and the enthusiasm of the property owners and business owners in the neighborhood who worked together to eliminate a blighted condition in their area.

The Project Team is already discussing Phase 2 of the streetscape project that will include additional improvements for the median and extension of the streetscape project to 8<sup>th</sup> Street between Spring Street and San Pedro Street. The goal is to create a welcoming gateway to the Fashion District and Flower District. The \$10,000 grant award that initiated a single median improvement is growing into a neighborhood streetscape improvement program that will be enjoyed by owners, merchants, pedestrians, employees, and residents.



8<sup>th</sup> & San Pedro Median “Before”



8<sup>th</sup> & San Pedro Median “After”

### **Maple/11<sup>th</sup>/12<sup>th</sup> Storm Drain Update**

Although we were promised that construction would begin at the end of summer, we are still waiting for a ground breaking. The slow pace of this project is holding up progress on the also long awaited Fashion District Phase I Santee Alley Streetscape project.

**Congresswoman Lucille Roybal-Allard Procures Funding for the LA Fashion District**

On December 28, 2007 we learned that the LA Fashion District was awarded \$98,000 for a Uniform Parking Signage Program. The application process began in January 2007 with a funding application submitted to the Federal Appropriations Committee through the office of Congresswoman Lucille Roybal-Allard. In July 2007 we learned that our Congresswoman successfully earmarked the Transportation, Housing and Urban Development Bill with funding for the parking signage program. The Bill was subsequently passed by the House Committee, Congress, and the Senate.

The funding will augment the downtown wayfinding signage program with signage that directs motorists to lots throughout the district. We will also work to leverage the funds by encouraging parking lot owners to contribute matching dollars.

**Proposed 2008 First Quarter Special Projects Activities**

- Continue to participate in the Streetscape Improvement Projects at 8<sup>th</sup> and San Pedro Streets, 9<sup>th</sup> and Main Streets, and the Santee Alley.
- Begin Uniform Parking Signage Project.

## Attachments

- 1 Fourth Quarter Financials
- 2 Recent Publicity